Daily Report

Central Eurasia

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Daily Report
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FBIS-SOV-95-229 *29 November 1995*

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Key Developments

Filatov Says Yeltsin Following Election Campaign

LD2811162395 Moscow INTERFAX in English 1521 GMT 28 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 28 (INTERFAX) — Russian President Boris Yeltsin is following the election campaign and especially obstacles hindering it, head of presidential staff Sergey Filatov told a Tuesday telecom conference, and conveyed greetings from the president to participants.

Filatov said everything must be done to make the elections open and honest, and urged Duma members to resolve all questions related to the election law before Dec 17.

He regretted that election results could be unpredictable. "There is no leading party, a party with impressive voters' support," Filatov said.

He told press after the conference he plans to meet Yeltsin Thursday.

Reportage on 'Elections '95' Campaign Coverage

Chernomyrdin Appears in NDR Film

LD2811203195 Moscow Russian Television Network in Russian 0630 GMT 28 Nov 95

[Election broadcast by Russia Is Our Home bloc, including recorded remarks by Nikita Mikhalkov, bloc candidate; Viktor Chernomyrdin, Russian prime minister and leader of the bloc; and Lieutenant General Lev Rokhlin, bloc candidate]

[FBIS Translated Excerpt] Here is a film from our next bloc, a film from Russia Is Our Home [NDR].

[passage omitted] [video shows three speakers seated around a coffee table in armchairs] [Mikhalkov] Why is it that since the first government of reformers, as it were, people have again turned back to looking at the former system? Why has this happened?

[Chernomyrdin] That is a very good question, and it characterizes much in our lives today. You see, our generation, many of our generation, grew up when you did not have to think about much. You did not have to think. You just had to go to work and leave work. Everyone knew his place at each level. Everyone was paid the same for going to work and leaving work. Unfortunately, they did not all work the same. However, people got used to this. So, you did not have to think.

Today, when we encounter difficulties, it is quite a natural process today, but there are a lot of inconveniences. Of course, you need to work as you should, you even need to find work. Certain conditions are needed in the country, but we do not even have the laws. We speak about a law based state, but what kind of law based state can we have when there is no protection for the individual, when he is dependent on personalities, on his boss, on others? We do not need this. We do not need to depend on others, we do not need to ask others, we do not need to demean ourselves in front of others. There should be a proper state with proper laws. [passage omitted]

[Chernomyrdin continues] It is difficult to achieve this, but we must do it without excess talk, without promises, and without deceit. There has been enough deception. We can only speak about and promise what we can do, what we understand, what we know, and what is necessary today, what is necessary tomorrow, and in the foreseeable future. That is what we need. Nothing is for free. It simply is not, although I may give much more than others. Surely no one can think that the government has something hidden away and is simply not giving it to the Army and so on. Nothing of the sort is happening. This is a great country and it needs to be put on its feet. We need to act to achieve this, we need to strive toward this. And we are doing it.

These are our movement's fundamental principles. I think that our viewers and electorate will understand this. [video shows pictures of tanks, before switching back to the studio and focusing on Rokhlin, dressed in army uniform]

[Rokhlin] I would like to say a few words about the Army. The first thing that needs to be started is dealing with respect for the Army and regaining respect for people in uniform. Without the most important thing — the social protection of servicemen, enhancing their status, enhancing their economic potential, changing the situation where one-fifth of servicemen are without apartments and are housed in tiny rooms — without this no reform of the Army is possible.

[Chernomyrdin] These are our people, Russians, our country. It is a great state, a mighty state. And in a state like Russia, which has everything at its disposal, people should live well, they should live comfortably. This is what we are striving for and we will do this. [passage omitted: Chernomyrdin says people must vote and calls for them to vote for his movement; Mikhalkov says he joined the movement because he trusts Chernomyrdin; ordinary people filmed speaking to camera say they trust and like Chernomyrdin]

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Kemerovo Official Comments on CPRF

LD2811205995

[FBIS Editorial Report] Moscow Russian Public Television First Channel Network in Russian at 0525 GMT on 28 November broadcasts a 30-minute "Elections '95" program. During the program, the Communist Party of the Russian Federation [CPRF] is represented live in the studio by Aman Amangeldy Tuleyev, head of the Kemerovo Region Legislative Assembly. He is not a member of the Communist Party of the Russian Federation, but he says:

"I have decided to do this because I see no other real force in Russia capable of putting an end to the anti-popular regime in Russia".

Despite what people say, the Communists have changed, he says. "I know for certain that these people really seek no power for the party. They seek to restore people's power," he adds.

Asked whether miners can vote for the communists during the upcoming Duma elections, Tuleyev recalls the situation which existed in the coal industry 6 years ago. "Miners never used to collapse because they were hungry. They received wages promptly twice a month — on the 5th and the 20th — and pensions were adequate then. The accident rate used to be one miner per 1 million tonnes of coal. It is appalling, I know. Still, nowadays there are five miners instead of one," he says.

"Miners have been misled and betrayed, in the full sense of the word. The most important thing is that miners are under pressure from the International Monetary Fund, which keeps telling our government to close down, close down, close down. Not a single mine should be closed down. It is a crime. Only several mines can be an exception here. The miners are kicked out. They receive no wages for seven months in a row. We are talking here about people who, through their hard work, made it possible for the current president to come to power," Tuleyev stresses.

"Miners have grown wiser. They can compare things. I believe that there is only one way out: the industry should be state owned; the state should ensure full social protection for miners and miners should back the Communist Party. I repeat, new communists," he says.

Tuleyev continues: "Some people say that when new communists come to power, when Tuleyev comes to power, they will start taking things away. Here, in the Kuzbass, people say even worse things. They say that privatized apartments, dachas, garages, allotments, and whatever else will be confiscated. Look at me. Do I look crazy to you? I have a privatized apartment . Do you think I will confiscate it?

"Another point. Any redistribution of property means war. Therefore, we believe that what is mine, is mine. I will personally break anyone's neck if he starts taking my property from me," Tuleyev says.

Concluding the broadcast, Tuleyev promises the viewers that the Communists will return to people what they used to own.

The broadcast ends with a video montage showing people on the streets, at work, at a rally; various documents; a calendar; a male voice reads out communist slogans over music.

Agrarian Party Member Interviewed

LD2811234695 Moscow Russian Television Network in Russian 1540 GMT 28 Nov 95

[Studio interview with Igor Yevgenyevich Klochkov, Agrarian Party of Russia member, by correspondent Sergey Torchinskiy; date not given; from the "Elections '95" program — live or recorded]

[FBIS Translated Excerpt] [Torchinskiy] Hello, we are continuing our many-day TV election marathon.

The Agrarian Party is represented today by Igor Yevgenyevich Klochkov. Igor Yevgenyevich, I knew you as a trade union leader. Today you are in the Agrarian Party. Why?

[Klochkov] There is a somewhat distorted idea of the Agrarians, of the Agrarian Party. It is somehow portrayed as a narrowly professional caste that is absorbed in its own, extremely narrow professional interests. I want to dispel these opinions and to say that the APR [Agrarian Party of Russia] is a mass national party that has passed through the sieve of popular choice during the last elections. [passage omitted: it is strongly represented in the Duma]

Some try to refer to us by the supposedly derogatory word — lobbyists, but we are not offended. Yes, we do lobby for the problems of the agrarian complex, the problems of the countryside, and the problems of the townsfolk who are closely connected with agricultural production. So the Agrarian Party is a party that represents the interests both of country people and of very many people in towns. [passage omitted]

I am firmly convinced that the Agrarian Party has a political future. Some strong political personalities have been brought together inside it, and not just major agrarians by profession. [passage omitted]

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[Torchinskiy] Igor Yevgenyevich, how does your parliamentary group regard the work of the agriculture minister [Aleksandr Nazarchuk], one of the party's leaders?

[Klochkov] He is one of our comrades, a member of the parliamentary group. We sent him into the government, knowing that we would be criticized for entering the government and dealing with a policy to which he is opposed. Yes, we opted for that move and think that it was a right and correct move, since we are pragmatists and we take a normal country man's common sense as our starting point. If we cannot alter a great deal, or turn the economic policy round completely, as well as that policy's pernicious social thrust, we will at least be able, by having our own minister...

[Torchinskiy, interrupting] And a deputy prime minister, incidentally.

[Klochkov, continuing] ...to use the structure of administration of agricultural production and to preserve at least the framework of agriculture, to preserve the workforce, to preserve the gene pool of the animals and plants, to preserve the science so that later — we are sure of this — the revival will occur. It is from the agrarian sector of the economy that it will come. It will come from the countryside — the revival of the economy as a whole. [passage omitted]

[Torchinskiy] In your view, what are the priority legislative acts that the Agrarian Party will propose and try to get passed?

[Klochkov] First of all, it is necessary to see that a Land Code is adopted and to dot all the i's clearly. It is necessary to preserve the farmers as the owners of the land. They are provided with shares today and are owners. But, at the same time, productive agricultural land — thousands, millions of hectares — has to be protected from being sold off and turned into an object of speculation. In other words, a mechanism is needed whereby land can be passed on from producer to producer. [passage omitted]

The second thing, we consider, is, of course, that it is essential to legislatively underpin a system of economic support for the agrarian sector as regards price fixing, taxation, and provision of credit so that the work, agricultural work, is productive.

[Torchinskiy] How do you propose to regulate prices?

[Klochkov] Very simply. Do you think that these prices are not regulated in the West? [passage omitted: examples of Western price regulation; examples of privatization in Moscow Region that are not working]

Rybkin Issues Union of Realists' Address

LD2411212395 St. Petersburg Fifth Channel Television Network in Russian 1800 GMT 23 Nov 95

[Address by Ivan Rybkin, leader of the Union of Realists, introduced by V.N. Shcherbakov, chairman of the union in St. Petersburg and Leningrad region; from the "Elections '95" program — recorded]

[FBIS Translated Excerpt] [Shcherbakov] Good evening, esteemed townsfolk! I hope you will find it of interest to watch and listen to the address by Ivan Petrovich Rybkin, the leader of our electoral bloc. Regrettably, the mass media have frequently been representing and showing him as something far from what he actually is. I am convinced that today you, many of you, will see him in quite a different light. Please do watch.

[Rybkin] [passage omitted] I find it hard to speak at this time when the country is going through difficult transformations, transformations which, regrettably, are not as yet bringing sufficiency into the home of the citizens of the Russian Federation and into the home of every citizen of your city, every day, every week, every year. The question naturally arises as to whether such transformations are necessary, if they do not bring the main thing, a better life. I think that transformations are, of course, extremely necessary — but wise, sensible, effective ones, introduced by equally wise, sensible and effective and substantial people, because without that, absolutely nothing will come of them. [passage omitted] The country is immeasurably rich, but there must be state controls throughout its territory. It is the work of the devil himself to say absolute freedom of action throughout Russia should be permitted, free buying and selling of everything — that does not happen anywhere. [passage omitted]

In these present difficult times, Russia has two true allies, the fleet and the Army. There are many different people around us, and in Russia itself, too. Difficult changes have taken place, bringing to power people whose power of reasoning is at times that of a small child, and some of them even suffered stunted development, as even their mothers would admit. That is the situation in some states around us. I do not wish to insult anyone, but when people say the country's defense should be reasonable — what reason are we counting on? On the reason of a small child!

The country's defense must, in my view, be guaranteed at a sufficient level. The top-flight technologies available at the defense enterprises in the country, first and foremost in our northern capital [St. Petersburg] — renowned all over the world — should, I stress, be

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not only protected, but these technologies must be the basis for developing the models for tomorrow and the day after. We can have a compact and highly combat-capable army only if it is equipped at this high level. [passage omitted] We must firmly declare the priorities of our foreign policy today, make them known to everyone. The CIS countries are our priority. Twenty-five million compatriots who have little motherlands, the territories, regions, and republics of Russia — these are our priority, and we will defend their interests with all means at our disposal.

The conflicts linked with belligerent fundamentalism, primarily religious fundamentalism, which are inflicting perceptible blows against the south of Russia, are our priority. We, hand in hand with the states of the world, first and foremost the states of Europe, and across the whole zone from Vancouver to Vladivostok, must respond to these challenges from the south, and must find ways toward a peaceful settlement of this difficult problem. [passage omitted]

Social Democrat Members Discuss Aims

LD2811233395 Moscow Russian Public Television First Channel Network in Russian 1605 GMT 28 Nov 95

[Election broadcast by the Social Democrats bloc, including recorded remarks by bloc members, former Moscow Mayor Gavriil Popov, Oleg Bogomolov, and Vasiliy Lipitskiy — from the "Elections '95" program hosted by Georgiy Kuznetsov]

[FBIS Translated Excerpt] [video shows Popov sitting in an office, number 29 shown in the bottom left corner of the picture] How can one go over from a system of state socialism to a modern society in which a normal individual can work and live normally? [passage omitted]

[Popov] The Social Democrats propose two main levers for Russia. The first lever is to change the course of reforms and the whole strategy of reforms. Second, to defend the interests of the people against the arbitrariness of the bureaucrats, to defend the interests of the people in the social sphere with regard to regards wages, pensions, and living standards.

Unlike the Liberals, the Social Democrats are saying that this transition should be well organized and should be expected to take a number of years. Everything in it should be streamlined. One must not yet again feed people with promises of future benefits. Each step along this transformation should make the life of each individual better.

Unlike the Communists, the Social Democrats are saying that this should be a peaceful and democratic path, without settling scores. Unlike patriots, they are saying that yes, we must unite and form an integral whole, but not by involving the Army or by sending in divisions, but in the way the Social Democrats united in Europe, where countries indeed live and work together and the borders have in fact been abolished. [passage omitted]

[Bogomolov] In my view, our task, that of people supporting the ideology of Social Democracy, is to help people to make their lives honest and worthy, and to help the state to become strong and just. [passage omitted]

Social justice is one of the pillars of the ideology of the Social Democrats, not in the sense of forced equality and leveling out — God forbid! But look at our new rich who are called the new Russians. Perhaps it would be better to call them nouveaux riches, since this French expression is accepted in the Russian language. These nouveaux riches have a different attitude to their wealth than, say, Russian merchants and manufacturers at the beginning of this century. They feel that these fortunes, which are sometimes incredible and exceeding everything any Western businessman dream of, have been acquired in a somewhat unfair manner, and that is why, instead of investing this wealth here, they are trying to transfer it elsewhere in order to guarantee their lives at a later stage when people find out.

Social justice means, in my view, — and herein perhaps lies an answer to the question What should be done — it means that those who create material and intellectual values should be rewarded first and not those who are selling or engaged in banking speculations. [passage omitted]

[Lipitskiy] Naturally, everyone will ask: Where is the money to implement all these promises? [passage omitted] Most certainly we see a major source of money for implementing our program in giving back to the people the money which was taken away by dishonest means by the former state in the form of deposits in our savings banks — and the Social Democrats have already started this work by tabling a law in the State Duma on restoring citizens' savings — as well as giving back the money which was confiscated from the population through financial frauds carried out by MMM, Vlastelina, and the like.

Yet another source is made up of the huge sums taken out of Russia and performing abroad. We can create such economic conditions which will prompt the owners of these sums to bring them back into the country and use them here for all to benefit.

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Finally, perhaps the source closest at hand is the enormous current expenditure on the upkeep of the state apparatus. What if we cut the number of bureaucrats, those who are sitting on the people's back, three- or four-fold? This is a huge resource which will make it possible to noticeably change people's lives. [passage omitted]

Agrarian Party Campaign Advertisement Published

MM2811144595

[FBIS Editorial Report] Moscow SELSKAYA ZHIZN in Russian 28 November 1995 carries on the upper left quarter of page 3 an election campaign advertisement for the Agrarian Party of Russia. The paper does not indicate whether or not the party has paid for the ad; no other advertising is carried on the page.

The ad features the party's wheatsheaf logo and head-and-shoulders photographs of leaders Mikhail Lapshin, Aleksandr Nazarchuk, and Vasiliy Starodubtsev. The text reads as follows:

"The Agrarian Party of Russian means the revival of the Russian countryside, the true revival of the country.

"The 'Agrarian Party of Russia' electoral association, which is based upon the Agrarian Party, the Agrarian Union of Russia, and the Agro-Industrial Complex Workers Union, includes working people from rural consumer cooperatives, private farmers, veterans, cossacks, forestry workers, fishermen, land reclamation workers, highway construction workers, and a number of sector trade unions. The Agrarians are actively supported by the rural and urban intelligentsia — teachers, doctors, scientific workers, writers, actors, artists, musicians — and everybody who cares about the fate of their native land, the fate of our great motherland.

"We are in favor of a strong, prosperous Russia and a powerful, mixed economy. We uphold not ideological dogmas, but people's real interests. We are in favor of not just 1 or 2 percent of the population, but all citizens of Russia without exception enjoying a life of plenty and prosperity.

"We firmly defend and will continue to defend the main peasant instruction regarding land: No to the buying and selling of agricultural land! We will not allow the sale of land to foreigners! The land should go to those who till it!

"Our motto: Fatherland. People's Power. Justice. Prosperity.

"Our slogan: Peace and Bread in Every Home!

"Our principle: Those who work better and more productively should have better and richer lives.

"Practically all the parties are seeking the levers of power in order to rule the country and rule the people. The peasants are seeking power in order to alleviate the lot of working people and to improve the spirits and mood of wretched Russians — not to order people about, but obediently to serve their people. Everybody who shares these goals will vote for the 'Agrarian Party of Russia' electoral association.

"Remember our symbol on the ballot paper — the wheatsheaf — and our number on the list: 41."

Ryabov Quotes Figures on Candidates, Campaign Costs

LD2811173095 Moscow ITAR-TASS in English 1247 GMT 28 Nov 95

[By Igor Belskiy]

[FBIS Transcribed Text] MOSCOW, November 28 (ITAR-TASS) — A total of 225 seats at a new State Duma (Russian parliament lower house) by party lists are contested by 5,675 candidates from 43 election blocs and associations. Speaking on Tuesday at a meeting on preparations for the elections, chairman of the Central Election Commission Nikolay Ryabov quoted the above figures.

To compare: the federal lists of 13 blocs contained only 33 percent of the present number.

The chairman noted in his speech that one-seat constituencies have registered 2,700 candidates, including over 1,000 independents. Seven election blocs and associations slated over 700 contenders in majority constituencies.

Ryabov broke up these data: 187 candidates from the Liberal Democratic Party of Russia, 131 from the Russian Communist Party, 108 from Our Home is Russia, 90 from the Congress of Russian Communities and the Agrarian Party of Russia (each), 75 and 71 from Democratic Party of Russia and Yabloko, respectively.

Another seven blocs and associations nominated between two and five candidates in one-seat constituencies.

Between three and 27 hopefuls contend each seat in constituencies. The lowest number of candidates — three — were registered only in one constituency. Ten aspirants were registered in 21 constituencies (each), 15 — in nine constituencies, 20 — in six and 27 — in one constituency. As many as 12 candidates average for one constituency in Russia.

Women make up some ten percent of all hopefuls, deputies to representative bodies of power at all levels

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— over seven percent and Moscow residents — more than 20 percent.

The break-up of candidates by their age groups. Young people under 30 make up five percent, between 40 and 50 — more than 35 percent and over 60 — four percent.

To hold the December 17 elections, the country formed, apart from constituency election commissions in subjects of the Russian Federation, over 2,700 district and city commissions as well as some 92,700 precinct commissions.

The federal budget appropriates 374 billion roubles to finance the elections, including 282 billion for subjects of the Russian Federation. A total of 244 billion roubles has been dispatched to Russian regions. The rest will be transferred by the end of the week.

Ryabov said that the Central Election Commission received 20 applications for funds. Applicants ask for various sums, ranging between ten and 40 billion roubles for a region. The total sum of applications hit 3,500 billion roubles. The 1993 elections and the referendum cost 111 billion roubles for the treasury.

According to Ryabov, the analysis of applications shows that financial requirements in localities were overestimated considerably. Some commissions demand that their wage funds be boosted by 20 times.

Election commissions in most subjects of the Russian Federation insist on increasing their transport expenses by 40-200 times. The chairman stressed that chairmen of commissions are personally responsible for purpose-oriented use of funds.

According to Ryabov, all work to assemble and tune up the equipment of the "Elections" automated system is to be completed within this week.

Election Guidelines

Conciliation Commission Confirms Election Date

MM2811130395 Moscow ROSSIYSKIYE VESTI in Russian 28 Nov 95 p 1

[Decision by Conciliation Commission for the Implementation of the Social Accord Treaty "Analyzing Main Norms of Law on Elections" signed by S. Filatov, chairman of the Conciliation Commission]

[FBIS Translated Text] 21 November 1995 — 1. The conciliation commission appeals to all Russian Federation citizens and all participants in the election campaign and confirms its position that the State Duma elections must be held on the scheduled date.

2. The conciliation commission acknowledges that the law on the election of Federal Assembly State Duma deputies has shortcomings and omissions which various parties and public associations could under certain conditions use for appeals to the courts, motivating their actions by violations of human rights with regard to the implementation of their representation within the State Duma deputies' corps.

3. The conciliation commission suggests to the Russian Federation president, the Federal Assembly Federation Council and State Duma, and the Central Electoral Commission that they convene a quadripartite conciliation commission to analyze the fundamental norms of the law on the election of Federal Assembly State Duma deputies, primarily as regards citizens' voting rights, and to elaborate proposals to change individual clauses of this law.

The conciliation commission believes that this legislative initiative to amend the law on the election of Federal Assembly State Duma deputies could be implemented in the form of a separate draft law.

4. The conciliation commission asks all political parties and public associations represented by their deputies in the Federal Assembly State Duma and all State Duma deputies and members of the Federation Council immediately to adopt a decision on the proposals elaborated by the quadripartite conciliation commission.

[Signed] S. Filatov, chairman of the Conciliation Commission

Forecasts & Commentary

Yeltsin Seen Moving To Steal Opposition Policies

MM2811133795 Moscow SELSKAYA ZHIZN in Russian 28 Nov 95 p 1

[Article by political observer Aleksandr Bykovskiy under the "View of Events: Tuesday to Tuesday" rubric: "'New Course' With Old Helmsmen"]

[FBIS Translated Text] Without any doubt, one of the central events of the past week was the Russian Constitutional Court's decision to refuse to examine questions from the Russian Federation Supreme Court and a group of State Duma deputies regarding the constitutionality of the law on the elections of deputies to the lower chamber of parliament. The court concluded that only legislators are entitled to establish the rules of the political game, which is what the upcoming elections are.

So it can now be assumed with greater confidence that the current election campaign will nevertheless reach its logical conclusion 17 December. The majority of observers are inclined to the view that opposition

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electoral associations will score considerable successes that day. The only question is how pro-presidential political forces will be able to counter them: Will they suffer a total defeat or will they manage to surmount the 5-percent electoral barrier? But at any rate the new Duma will by no means be dominated by supporters of the current president. Many politicians are saying this virtually with one accord when assessing the possible results of the future vote.

All the indications are that numerous Kremlin analytical structures are also attentively following the changes in voters' moods. They are clearly recommending its present incumbent to activate — even before the elections — the mechanism of state regulation, as the opposition has long been demanding. And B. Yeltsin is seemingly beginning to tilt increasingly noticeably toward revising his economic course, which has already led Russia into an impasse. I see nothing surprising in the apparent possible changes, since the Russian president has always shown an instinct for political self-preservation. It can be said that he is now trying to do what the opposition would begin with if it came to power. Thus B. Yeltsin has just signed an edict on priority measures to strengthen the system of currency controls which, according to a presidential aide, is supposed to impose order in the cross-border movement of Russian capital.

The prime minister is also beginning to act in a similar direction. Last week he "saw the light" and expressed concern at the sharp increase in the volume of consumer goods imported by Russia. Addressing the All-Russia Conference on Problems in the Organization of Trade, he stated that this process has brought the country to a point beyond which degradation of the production of a considerable number of domestic consumer goods will begin. In short, his remarks were such that you cannot yelp wondering: Has Viktor Stepanovich actually been the leader of the Russian Government throughout recent years?

Finally, the report that the founding conference of the "Reforms — New Course" movement, whose creation was initiated by Federation Council Chairman V. Shumeyko, is scheduled for 1 December was a real political sensation last week. The movement's founding documents are also signed by V. Polevanov, former chairman of the State Committee for the Management of State Property, Ye. Podkolzin, commander of the Airborne Forces, Sverdlovsk Governor E. Rossel, and other well-known politicians. People in the know say that the new organization's ideology will be based on demands for a strengthening of the state's regulating role and a review of the results of privatization.

It is no secret that V. Shumeyko has long assumed the role of interpreter of the president's plans, as it were. Vladimir Filippovich has remained true to himself on this occasion too. In general he correctly interprets the thrust of B. Yeltsin's plans (as yet secret) for Russia's transition from the stage of wild capitalism to state capitalism, when the state begins to intervene actively in the country's economic life. At any rate it was largely with the help of state capitalism that V. Lenin's New Economic Policy (NEP) once brought Soviet Russia impressive results. And were the leadership of our now capitalist country to take the reins of state management, it would be a boon for the country.

All the same, I think that B. Yeltsin — even on the threshold of the elections — will scarcely totally abandon his bankrupt course and will scarcely be able to copy the "New Deal" of U.S. President F. Roosevelt, who managed by means of state regulation to eliminate the consequences of the 1929-1933 economic crisis. After all, in order to impose order in the Russian economy it will be necessary to remove from the government A. Chubays and A. Kozyrev, who are well known for their pro-Western views. In my view, this is an impossible task for Boris Nikolayevich. Can he sharply swing the helm of the ship of state when the prospect of the next presidential elections is looming on the political horizon? And in these conditions it appears unlikely, to say the least, that B. Yeltsin will decide on a profound reform of his political team. It's obvious. As soon as he started out he would lose the Western credits, which the Russian president will so badly need in 1996!

Another point. The last few days have seen the anniversary of the start of the imposition of constitutional order in Chechnya. But there is neither order nor peace in this Russian region. Furthermore, Russia's various special services are working extremely hard in an attempt to prevent bandit formations from Chechnya from infiltrating the Russian capital. And for days now the capital has been full of rumors of the possible use by Dudayev's supporters of radioactive weapons against the capital's population. At the same time the opinion is being voiced increasingly strongly that Russia will be able to cope honorably with the protracted conflict only with the assistance of the United Nations and NATO.

I think sadly: Does the fate of the former Yugoslavia lie in store for us? After all, the conflagration in the Balkans clearly began to blaze with the blessing of the West, and primarily the United States. And now, having set Yugoslavia's peoples against one another, they are totally deciding their fate and determining their state borders. And the situation in Russia is increasingly reminiscent of Yugoslavia....

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No, there will be neither peace nor genuine reform in Russia until political forces capable of carrying out the reform of the country in the interests of the overwhelming majority of Russians and without bothering about foreign "well-wishers" come to power as a result of free elections.

CPRF's Goryacheva Urges Voters To Reject Regime

MM2811120295 Moscow SOVETSKAYA ROSSIYA in Russian 23 Nov 95 p 2

[Interview with Svetlana Goryacheva, Vladivostok deputy prosecutor and State Duma candidate on Communist Party of the Russian Federation list, by Zhanna Kasyanenko under the "Dialogue wit' a Leader" rubric: "Svetlana Goryacheva: Both Mothers Are as Dear to Me as Life Itself"]

[FBIS Translated Excerpt] [passage omitted] [Kasyanenko] Svetlana Petrovna, we could go on forever castigating the regime for its crimes against the country and the people. They are obvious, after all. But at the beginning of our conversation we talked about the need for an active stance. And this is not only a matter of exposing misdeeds, although that too requires boldness. What Russia needs today is concrete action....

[Goryacheva] I was among those who following the well-known events of 1993 did not accept the apartment in Moscow, the money, and the other benefits promised to defectors by Yeltsin. I went home to the Maritime Kray and stayed with my electorate. I regarded this as my moral duty. I see my work in the prosecutor's office as a noble enterprise because I am defending the rights of honest, law-abiding people. Indeed, the current situation in the country is disastrous as far as legal assistance for people is concerned. What kind of rule-of-law state do you call that?! Only those with big money can get assistance and protection from the various law firms. What about the pensioners and the badly-off? They have no protection either socially or legally. They cannot get skilled assistance form a lawyer for free. We get many people coming to the prosecutor's office for advice and support. In the first half of this year we examined 1,648 complaints. But we have only 60 people working here. The complaints covered the entire spectrum. There were violations of housing law and labor law. Many of the complainants said that crimes were being covered up, that the police were discontinuing investigations illegally. One in five complaints was upheld and we gave people assistance. We registered 152 crimes that had been concealed or gone unregistered. We revoked 332 illegal rulings on discontinuing criminal investigations. We took various types of action against very many people for breaking the law. In this sense I was able to help many people resolve their specific problems, to resolve them within the law.

As a specialist I want to assess statements made by the government and president amid the so-called fight against crime. In recent years the ruling regime has done nothing but blather on and destroy the law-enforcement sphere. Edicts often are unsound, and no one implements them at local level. Why is this happening?

See what has been done here, who has been provided with property as a result of privatization. In the first place, the former party nomenklatura. Second, shady dealers, who accumulated capital in the stagnation years, and racketeers and other criminal elements who hatched from the "democratic" egg. So have these people, who only yesterday were using the law as a doormat but were at least afraid of it, now become law-abiding? We enabled commercial structures to set up their own security services. As a Supreme Soviet deputy I opposed that law. But, unfortunately, we were in a minority then. In fact they were providing people prone to law-breaking with weapons. Did no one see that the division of property would start and these weapons would start firing? Unfortunately, they are firing not only at criminals involved in gang fights. Often they are aimed at law-abiding citizens as well.

At the same time, the law-enforcement structures underwent a process of debilitation as a result of endless reorganization. I think this was entirely deliberate and was done for the purpose of destroying rather than strengthening the law-enforcement system, because the specialists were ultimately ejected from it and the structures capable of effectively combating crime were destroyed. The "Alfa" group, which refused to fire on the deputies in the House of Soviets, was disbanded. The endless reorganization of the prosecutor's office organs led the most skilled specialists to leave. Where to? To serve the mafia.

I will give a concrete example. In Vladivostok we instituted criminal proceedings against the Larionov gang, which had been controlling some banks and entrepreneurs in the city. Now, this criminal organization's security service was headed by a former investigator in a Vladivostok prosecutor's office. He had left the prosecution service of his own volition because he was not being paid enough to support a family. His remuneration from the gang was enormous. But the gang was responsible for dozens of murders. And I can assure you this is a typical situation. Do our Security Council, all the power ministers, the premier, and the vice premiers really not know what is going on?

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We conducted an analysis back home in Vladivostok. We have 400 investigators working in our police organs. Three-fourths of them lack special legal training, that is, they were formerly doctors, teachers, and even seamstresses. Some 70 percent have less than one year's experience. Some 90 percent are women. These are the people currently fighting crime in Russia. It is clear why this has happened. A man cannot feed his family on an investigator's pay. So he goes and joins a criminal organization's security service. The man is a professional. His place is taken by an unemployed seamstress, who is supposed to catch him. In Moscow they rend the air and write edicts about the fight against crime. With one hand, that is. With the other they are strengthening the criminal world with professionals.

The authorities say: Where can we find the money to fight crime? I, too, put this question and asked about the budget for this year. There is a great deal of money in the country, apparently. The federal budget allocates 240 billion rubles [R] per year for the fight against crime. The administrative and managerial costs of the president and his structures are R2.422 trillion. The president's Main Protection Directorate alone costs the taxpayer R479 billion — twice as much as is allocated for the fight against crime.

So let our voters think, when a representative of the authorities promises to fight crime: Where is the root of the evil? Who wants the fight against crime to be conducted only on paper? Protecting one person in the country at the expense of the security of all other citizens is the style of this regime. If this style actually suits anyone, let him continue to support it.

[Kasyanenko] People listen to you, Svetlana Petrovna, and they see that they have before them a specialist, a prosecutor, a patriot for their country. But you will agree that this is not enough from the viewpoint of big politics. Aside from the CPRF [Communist Party of the Russian Federation] platform, which you share, no doubt you have a personal program for the elections.

What will you personally do in the Duma, if elected?

[Goryacheva] The first thing that needs to be done is to halt the harmful reforms, which are simply driving specialists out of all spheres of society's life. Second, it is necessary to solve the law-enforcement organs' financial problems. I will do all I can to take some of the funds away from the protection of our president and use them for the protection of citizens. Before it is too late we must adopt laws to be tougher on serious offenses connected with organized crime and committed for personal gain. Indeed, every effort has been made of late to make things easier for the accused. What we need today is laws to protect witnesses and victims, that is, law-abiding people. Witnesses keep on being blackmailed. The standards of the law are such that it is impossible actually to prove this and impossible to establish a defense. This also plays into the hands of the criminal world. Of course, these are priority measures. But I am thoroughly convinced that as long as this regime is in power crime will increase and the criminalization of society can only intensify.

You hear what the inveterate politicians say and you wonder: How can people get so cynical? Boris Fedorov, who is again trying for power, joined Gaydar in fleecing the population, causing their deposits and savings to depreciate, and he is again urging us forward. All, you hear is: Forward, Russia! Like flogging a dead horse. How are we supposed to take these cynics? But perhaps it is not cynicism. It is fear of retribution, fear of having to answer to the people, which they certainly will have to do if there is a change of regime.

The country and its industrial potential have certainly been dealt a terrible blow. Practically all industry is at a standstill here in the Maritime Kray. The plant where I began my career as a worker is also at a standstill. And it is a major defense enterprise. It is already being suggested that a controlling block of shares will be sold to some foreign investors. I have been to no fewer than 30 industrial enterprises and have not heard a single good word for the government. It is a worrying situation. Today our people in the main are like the Russian bear which others have been trying long and hard to drive out of his lair. At the moment it is grunting and groaning, but God help its tormentors if it wakes up!

In the run up to the elections people must sort out the wheat from the chaff. They must not put their faith in all those people who have been in power, who have blotted their copybooks by cooperation with the regime. I simply want to suggest to people that when they go and vote they should remember who put them in this situation and how. They should trust only those who did not sell their souls, who did not betray them. They are the only people capable of doing anything for the Fatherland today. As at any other time. I believe that the majority of these politicians must be from the provinces. When the capital card is the only one in play, you cannot expect anything good to come of it.

[Kasyanenko] Svetlana Petrovna, why did you decide to run on the Communist Party list? Why not with, say, Women of Russia?

[Goryachev] I am not fond of artificial decorations. Anyway, I would like to talk about the events that preceded the appearance of that movement. Let the reader decide for himself what the movement is all about. In October 1993, when the Supreme Soviet was

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surrounded by barbed wire, when heat, light, and water had been cut off, many people fell ill — with colds, worsening heart ailments.... We were in a situation where we did not even have any medicines. Then some of our women deputies managed to get through the cordon established by special police units. When they returned to us they tearfully related how they had gone to the Committee of Russian Women, which was headed by Alevtina Fedulova, asking for influence to be brought to bear on the government, at least to get it to authorize supplies of medicines for us. Unfortunately, she replied that the Committee of Russian Women was apolitical and there was no way they could help. A few weeks later Alevtina Fedulova joined presidential adviser Yekaterina Lakhova in creating this movement and announced that it would be tackling political questions. What hypocrisy that is. Today they would like to represent Russian women. But I think that the face of Russian womanhood is quite different. In this situation I would like to say to our women voters — Remember the words: "Anyone who does not know where she is headed will be very surprised to end up in the wrong place."

[Kasyanenko] What do you think of the authorities' general attitude to the elections?

[Goryacheva] Everyone can see that they are scared of the elections and are doing all they can to prevent the elections from taking place, although they say otherwise. Look at the recent clash with the Supreme Court. Which brings to mind what Nekrasov said: "The law is what I want it to be; I use force to police it; if I want to, I pardon; and if I want to, I punish." The Russian classics are still excellent. How much they can explain! Two years ago elections were held with the same 5-percent barrier. Everyone was happy then. They thought that the Communists would fail to secure nominations, and that even if they did they would not win votes. But they suddenly cleared the barriers. The same system thought up by those radical democrats is being used today, but suddenly they do not like it. Obviously, all the fragmented, small radical parties have little chance of winning seats or obtaining a majority in the Duma. Anyway, the regime's specific intention is to create a pet parliament, divided into little cells, incapable of coordinated action. It is trying to use the fig leaf of a curtailed democracy to cover the shame of common or garden authoritarianism in Russia. Particularly as the presidential election is approaching. The elections for the body of deputies are a kind of prelude. Everyone knows that Russia's main fate will be decided in the presidential election. Therefore they want as few opposition members as possible in the Duma. What if the patriotic, left-wing opposition were to get two-thirds of the votes? Then it would be possible to change the situation in Russia by changing the Constitution. That is what they want to prevent. [passage omitted]

CPRF Unity Seen Cracking as KRO Threat Grows

MM2811142295 Moscow TRUD in Russian 28 Nov 95 p 4

[Article by political scientist Aleksandr Babinskiy: "CPRF: Cracks in Unity"]

[FBIS Translated Text] Recently the press and television have been persistently saying that the Communists will achieve the biggest success at the 17 December parliamentary elections. CPRF [Communist Party of the Russian Federation] leader Gennadiy Zyuganov himself is trying in every way to persuade voters that his party remains a powerful monolithic organization ready to seize the reins of leading the country. But the past few days have seen more and more facts giving grounds for thinking that things are far from all that smooth in the Communist camp.

You cannot ignore the fact that CPRF leader Gennadiy Zyuganov voted for first-reading approval of the federal budget in the State Duma whereas the faction which he heads did not support this budget. So why did the CPRF's renowned party discipline not work at such a crucial moment?

Here we cannot fail to recall the information leaked to the press about the contacts which have taken place between Gennadiy Zyuganov and his nominal opponent — NDR [Russia Is Our Home] leader Viktor Chernomyrdin. According to some reports, the two leaders concluded something like an election campaign "nonaggression pact" and possibly even reached some agreements on political cooperation after the State Duma elections.

If this is the case, Zyuganov's vote for his opponent's budget — in itself a politically dangerous act for the leader of the opposition — assumes the clear significance of a signal: Everything is in order, Viktor Stepanovich — I am with you! The Communists' unexpected support for Sergey Dubinin's candidacy for the Central Bank chairmanship should also be regarded as the same kind of signal.

It is clear, however, that Zyuganov's line is generating increasing dissatisfaction in the CPRF itself. And naturally his political rivals cannot fail to exploit this, primarily Valentin Kuptsov, who headed the CPRF between July 1991 and February 1993 and was forced to give way to Mr. Zyuganov, who has more distinct leadership qualities. In the CPRF Kuptsov represents a

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grouping advocating the party's gradual transformation into a social democratic party. In the process the contradictions between Zyuganov and Kuptsov are becoming increasingly profound. This is evidenced, in particular, by the fact that the Kuptsov grouping's ideologist — Doctor of Philosophical Sciences Boris Slavin — is not only not on the CPRF election lists but is running on the Svyatoslav Fedorov party ticket.

But the main danger to Zyuganov, of course, is not the businessman and eye surgeon's party (ordinary Communists are not going to vote for him) but the suddenly energized Congress of Russian Communities, whose leaders include General Aleksandr Lebed. The general's personal popularity considerably outstrips the popularity of the Communists and their leader.

According to a November poll by the "Public Opinion" foundation, 20 percent of Russian citizens regard Lebed as the most resolute and strong-willed person. Furthermore, 11 percent of those polled describe Lebed as Russia's biggest patriot, whereas Zyuganov gets only 8 percent. And in places where people don't look too deeply into their Moscow leaders' politics, the numerous meetings with voters held by the energetic Lebed are often organized by local Communists. Essentially the KRO [Congress of Russian Communities] has seized the patriotic idea, which is popular among the people, from the CPRF and is making active use of it while Zyuganov has been forced to expend time and effort smoothing over the cracks which are increasingly splitting his "monolithic" party. For the first time in 18 months the latest "Public Opinion" foundation poll showed a fall in the Communists' rating. All this makes you wonder whether the Communists' chances of success are as great as is generally believed.

The CPRF leadership, too, cannot be failing to ask itself this question, of course. This is why a section of it decided to have talks with the KRO, where a considerable number of former Communists have come together. According to some reports, these talks are being conducted through Lyudnila Vartazarova, leader of the Socialist Party of Working People, one-time secretary of the Moscow CPSU City Committee, and now number four on the KRO federal list. And the conduct of Zyuganov himself, who first confirms and then denies the reports of CPRF talks with the KRO, only testifies that the CPRF is not completely in control of the situation in his own party.

Informed sources assert that Oleg Shenin, one of the leaders of the Union of Communist Parties (UCP-CPSU) who Zyuganov refused to include on the CPRF federal list but a man who is popular among the Communists, has also joined in the talks with the KRO. It cannot be ruled out that Shenin will take Lebed's place on the KRO federal list in the extremely likely event that the general wins in the Tula single-seat district. As people in the CPRF leadership are saying. Zyuganov's rejection of an alliance with Shenin was yet another mistake by the current CPRF leader which has led to the deepening of the split in the party.

The existence of such a split has been unexpectedly confirmed by the newspaper PRAVDA, which has recently been publishing increasingly frequent items giving sympathetic coverage to the activity of the KRO. In particular the article "The KRO Phenomenon" published in PRAVDA (it was presented as an editorial article, without the author's name) included a sentence which caused a real storm of outrage in the CPRF Central Committee: "The democrats are unacceptable, but the Communists are impossible." The CPRF responded with a counter-article — also in PRAVDA — entitled "What Is the KRO Calling for?" in which Skokov is accused in the sharpest terms of collaborating with national capital and defending the idea of private ownership. Let us note that the writer of the article also considers that Communist voters have "only two options in the coming elections — a vote for the CPRF or for the KRO. Indeed a political debate "For and Against the KRO" has been launched in the pages of the doyen of communist newspapers on the eve of the elections.

It is increasingly difficult for Zyuganov and his comrades in arms to preserve unity in the party ranks while maintaining a defense on all fronts against increasingly strong rivals. Zyuganov's task is not to lose this pretense at least before 17 December, when the next pretense — "nationwide victory" — will give him the opportunity to implement the entire package of accords with Chernomyrdin.

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ITAR-TASS Carries Press Review for 29 Nov

LD2911075495 Moscow ITAR-TASS in English 0528 GMT 29 Nov 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, November 21 (ITAR-TASS) — Under the title "Non-payments: when law is inactive", the Rossiyskiye Vesti newspaper carries today an article on the state's wage arrears. According to the daily, this figure topped 10,000 billion roubles since the start of the current year to November.

The total number of debtor enterprises rose by 3,000 as against last year, topping 38,000. The newspaper notes that "millions of Russians do not receive their honestly earned money for months". To get payments of their wages, people are forced sometimes to give their lives.

For instance, "Vera Godut, a woman worker from the local motor factory in the city of Bryansk, died under the wheels of a KAMAZ truck when she tried, together with other workers, to block street traffic in protest against a five-month wage delay," Rossiyskiye Vesti writes.

"Following the tragedy, the local administration interfered in this case, and money for workers was found almost on the same day. But Vera did not need her wage already."

Turning to the state's pension and wage arrears, the Russian president's assistant on legal affairs Mikhail Krasnov said in an interview with the Rossiyskaya Gazeta newspaper that inefficiency in fulfilling the president's decrees and the government's decisions is a common evil, promoting these arrears.

"We have broken the system of the authoritarian rule, but we have not learnt how to rule by law," Krasnov stressed. "Firstly, because our conscience is as follows: if it is a taboo, but you want it very much, it means that it is possible.

"Secondly, absence of an understanding of disciplinary responsibility and of mechanisms switching it on. Plus bureaucratic thieves."

In the opinion of the president's assistant, money appropriated by the state is used initially by territorial structures of federal bodies, power structures in subjects of the Russian Federation as well as by banks and then is given for pensions and wages.

"We do not live already by old rules, but we have not learned as yet to live by new ones," Krasnov concludes.

Echoing this topic, the Argumenty I Fakty weekly quotes an opinion of chief state labour inspector V. Varov in its today's issue. "50-60 percent of inspections show that managements and directors of enterprises are to blame for non-payments of wages," the inspector notes.

According to Varov, "the management of a factory in Kursk for instance, apart from receiving higher wages than provided for by rules, takes them two months ahead".

Complaints by Russian regions against Moscow's rigorous dictates is the main topic of an interview given by Khabarovsk territory governor Viktor Ishayev to the Izvestiya newspaper. He points to growing separatist sentiments in the Russian Far East where ideas of creating a separate republic are on the rise.

Ishayev points to facts of the centre's disregard for that area and unjustified levies on funds earned by Far Eastern enterprises. "Moscow does everything possible and sometimes even impossible to sever these regions of Far Eastern Russia," he says.

But the matter in question is 40 percent of the Russian territory with a population of seven-eight millions and huge raw material resources.

The governor believes that the president's instructions to ease the position of the Far Eastern area are ignored by executors. However, he doubts correctness of tactics taken by some administrators who want from the president special rights to govern their regions a la Sverdlovsk Region Governor Eduard Rossel.

The Pravda newspaper features an interview with Russian Minister for Nationality Affairs and Regional Policy Vyacheslav Mikhaylov. Speaking of the negotiating process in the Chechen Republic, the minister notes that "conditions are being created for an intra-Chechen dialogue. A change has taken place in the psychology of population".

Asked whether the elections will take place in Chechnya, Mikhaylov replied that "the holding of the elections depend on several conditions, the most important of which is security at elections.

"People should freely come to the polling station. They need guarantees that they will not be killed," the minister says. In Mikhaylov's opinion, only the Chechen Interior Ministry and Chechens themselves can give such guarantees. "Otherwise, there will be provocations," Mikhaylov stressed.

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Clinton Speech on Bosnia 'Brilliant'

MM2811171595 Moscow KOMSOMOLSKAYA PRAVDA in Russian 29 Nov 95 p 7

[Report by Sergey Ivanov: "Bill Praised Even by Opposition"]

[FBIS Translated Text] New York — Clinton has blown his bridges. The last year of his term in the White House and the entire upcoming 1996 presidential race will take place under the sign of Bosnia. When on Monday [27 November] evening the U.S. President talked live on television about the possible military risk to the 20,000-strong U.S. contingent, he could not fail to calculate the degree of political risk to himself. Any failure, crazy firefight on the line separating the sides, a dozen coffins draped with the U.S. flag will certainly win no votes for Clinton the presidential candidate.

That is why the task facing him is so difficult: He has to explain to the country why U.S. soldiers should go to an overseas "hot spot" following the appreciable losses in Somalia, what will be done to reduce the possible risk, what prior diplomatic measures have been taken, what kind of finale to the operation can be expected.

The speech was, without exaggeration, brilliant, as even Senate [majority] leader Robert Dole observed. The U.S. President set out a clear action program for NATO forces to implement the Dayton trilateral accords. At the end of this week a detailed NATO plan will be delivered to the White House "for consideration and approval."

'Tentative' Accord on Politi Role in Bosnia Reached

LD2811215995 Moscow ITAR-TASS in English 2146 GMT 28 Nov 95

[By Aleksandr Mineyev]

[FBIS Transcribed Text] BRUSSELS, November 29 (ITAR-TASS) — Tuesday's meeting of Russian Defence Minister Pavel Grachev with the assembly of NATO defence ministers has yielded a tentative agreement on Russia's part in political control of the multinational force for Bosnia-Herzegovina.

The format for the control will be a consultative committee of the Council of NATO's members on which Russia's delegate will be placed.

The committee will regularly convene at an ambassador level or at a higher level should necessity arise.

The formal resolution setting up the committee will be passed within days by political leaders of Russia and NATO.

Grachev said at a joint conference with acting NATO General Secretary Sergio Balanzino that the first phase of the peace implementation operation in Bosnia, the disengagement of troops, would recruit the Russian 1,500-strong brigade which is to be deployed in the Posavina corridor, the area of responsibility of the U.S. division.

If necessary, Russia will add 1,000 troops to the Russian-American force which is to act under the U.N. mandate.

Russia leaves in Croatia's Eastern Slavonia its peacekeeping battalion which has been long staying in the region with the U.N.'s mandate together with the Belgian contingent.

Balanzino said the consultative committee would provide a format for Russia's say in progress of the peace implementation operation in Bosnia.

The Council of NATO will heed it in political decision-making.

Grachev said the meeting at the NATO headquarters had laid a founding rock for a collective European security system.

U.S. Defence Secretary William Perry reiterated him, saying that today's accords have important bearing on future relations between NATO, the U.S. and Russia.

Perry added that the 16 plus one consultative committee, or 16 NATO members plus Russia's delegate, would provide a mechanism for Russia's recommendations for the Council of NATO.

However, only the Council of NATO is entitled to political decisions, Perry said, adding that Russia will have a say in any decisions concerning its troops.

Grachev Outlines Russian Reaction to NATO Expansion

LD2811193695 Moscow NTV in Russian 1600 GMT 28 Nov 95

[Video report from Brussels By "Today" program correspondent Aleksandr Gerasimov]

[FBIS Translated Text] The meeting between the Russian and U.S. defense ministers has just finished at NATO headquarters. Pavel Grachev and William Perry talked about political control over the upcoming peacekeeping operation on the territory of the former Yugoslavia. Nothing has been reported yet about the results of the talks. The main problem is that, according to the agreement drawn up in Dayton by the leaders of

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the three conflicting sides, the Atlantic alliance practically has almost total power in conducting and leading the peacekeeping action.

The Russian defense minister arrived in Brussels with the firm intention that the Russian battalion would never be under NATO command. Within an hour, Pavel Grachev will speak at a meeting of the leaders of the NATO countries' military departments, according to the 16 plus 1 formula.

We have learned that the tone of the report will be its newest aspect. For the first time, Russia is in favor of an increase in its own armed forces' cooperation with NATO as allies in containing common threats. The Kremlin's instructions propose the creation of a new system of common European security, based on the no-bloc principle. Moscow thinks the Organization for Security and Cooperation in Europe [OSCE], the European Union, the Council of Europe, the CIS, the Western European Union, and NATO should complement one another, and that a collective security system within the framework of the former Soviet Union — the idea of creating such a system is being considered quite seriously in Russia — could become a bridge between Europe and the Asia-Pacific region, and could mean the creation of good relations on the whole Eurasian continent.

In addition, Pavel Grachev made it abundantly clear to his NATO colleagues that their plan to transform the North Atlantic bloc — its expansion eastward — as before does not suit Moscow, which is ready to react appropriately should there be an increase in the military presence on its western borders.

[Begin Grachev recording] [Video shows Grachev in uniform, seated in an armchair, surrounded by other Russian officers] If talk about NATO expansion in Europe goes even further, then clearly we need to end the talk about flank restrictions. This is an appropriate measure, that is what I think.

Sometimes people write that I decide something in place of the foreign minister; I decide nothing. I decide only military issues.

However, another point of view which is expressed by Boris Nikolayevich Yeltsin and emphasized many times by our other political leaders, is that we can — and should, are obliged to — look for allies in certain countries in eastern and central Europe, first of all in the CIS countries, and also to look to the east. Maybe there will be some who want to be allies there, too. [end recording]

[Gerasimov] Moreover, as Pavel Grachev said, the United States might be made to see reason by Russia suspending implementation of reductions in nuclear weapons under START I and by the nonratification of START II. However, it appears that the ministers, not yet enemies but not friends either, arrived in Brussels without confrontational intentions.

At least General Joulwan, commander of the united NATO forces in Europe, says in an analytical note to the U.S. defense minister, that a firm foundation has been laid between Russia and NATO, thanks to the Bosnian conflict. A firm foundatior has been laid between Russia and NATO. Whether the Americans' optimism is justified will become clear in a few hours' time when the joint meeting of the NATO and Russian defense ministers ends.

Unleashes 'Barrage' of Military Initiatives

LD2811213395 Moscow NTV in Russian 1900 GMT 28 Nov 95

[Video report from Brussels by "Today" program correspondent Aleksandr Gerasimov]

The special meeting of NATO defense ministers in Brussels finished a few minutes ago. The Russian defense minister was the highlight of the program. Pavel Grachev spoke at the headquarters in front of 16 leaders of the North Atlantic bloc military departments. President Yeltsin approved the report in advance.

The defense minister unleashed a barrage of military and political initiatives on his western colleagues for 30 minutes — enough for several years. The report was divided conditionally into three sections: European security issues; relations between NATO and Russia; and a final settlement of the Bosnian conflict.

Well-known for his negative attitude toward almost every step of the North Atlantic alliance, Pavel Grachev said today that partnership between Russia and NATO should be the main component of a new security system. Meanwhile, a statement made by the minister several minutes before his speech practically links all three issues into one, whose armed forces will be the principal ones in Europe. Grachev and Perry either carried out to the letter their presidents' instructions to find a final resolution at any price, or took another step to gain time, confusing everyone.

[Begin Grachev recording] [Video shows Grachev speaking to correspondents] We discussed several versions with regard to the issue of political control, an issue which interests and concerns everyone. A number of proposals were made both by the American side and by our side. These proposals are now being discussed by the NATO defense ministers. I think we will come to a single understanding of control

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today, and tomorrow we will finally announce how this mechanism will work with regard to the peacekeeping operation in Bosnia, and perhaps even in the future under the NATO plus Russia — the 16 plus 1 — partnership program. [end recording]

[Gerasimov] However, according to the most modest calculation, the peacekeeping operation in former Yugoslavia cannot begin for several months, not until the peace agreement is signed, the conflicting sides stop their mutual annihilation, and all sides wishing to take part in Bosnian peacekeeping agree the general principles of their troops' cooperation.

As well as the NATO countries and Russia, as many countries again would like to take part in the peacekeeping operation. They include, for example, Romania, Malaysia, and Albania, whose level of readiness differs somewhat from that of their brothers in arms, regardless of whose mandate they fight under — the United Nations, the Security Council, or the North Atlantic bloc.

NATO Aide Warns Serbs Not To 'Intimidate' Peacekeepers

MM2911131495 Moscow KRASNAYA ZVEZDA in Russian 29 Nov 95 p 3

[ITAR-TASS report under the general heading: "United States Must Participate in Bosnian Operation. Bill Clinton Is Trying To Persuade America of This"]

[FBIS Translated Text] Brussels, 28 Nov — The North Atlantic alliance has warned the Bosnian Serbs that any attempts to intimidate the multinational forces implementing the Bosnian peace agreement will meet with a very tough rebuff. A NATO spokesman made the following comment on Bosnian Serb leader Radovan Karadzic's demand the previous day for the accords on the status of Sarajevo to be revised and for Serbian areas of the city not to be transferred to the Muslim-Croatian authorities' control.

"NATO's clear stance is that we will view all the Bosnian sides in the same way," and that the multinational forces "will enter Bosnia without anti-Serb prejudices," this spokesman said.

He recalled that the peacekeeping operation under NATO leadership will not resemble the one carried out by the UN "Blue Helmets." The NATO forces' operating procedures and command and control system will ensure that it will be useless for the Bosnian Serbs or any other side to try to intimidate them or manifest hostility toward them. "Even if we are going to Bosnia to establish peace, we will defend ourselves with maximum determination when we are attacked," he stressed.

The multinational forces under NATO leadership will number around 60,000 men equipped with tanks and artillery missile weapons, and they will be supported by NATO military aviation. It is thought that the NATO Council at ambassador level will authorize Supreme Commander in Chief George Joulwan to deploy a contingent of 2,000-3,000 men in Croatia and Bosnia to "prepare the theater of operations." The NATO Council will give the "green light" to begin the deployment of the main forces after the official signing of the peace agreement and the corresponding authorization from the UN Security Council.

Forces To Begin Training 11 Dec

LD2811204395 Moscow ITAR-TASS in English 2036 GMT 28 Nov 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, November 28 (ITAR-TASS) — Russian peacekeeping forces began preparing for training before going to Bosnia where they will be in the composition of NATO multinational forces.

The training will begin on December 11 and will last for five days, ITAR-TASS learnt from the Russian Defence Ministry on Tuesday. A special-purpose brigade commanded by Colonel Aleksandr Lentsov will participate in the training. Together with a group of officers of the staff of the formation, he flew to Germany to work out plans of interaction with the U.S. First Armoured Division.

The brigade is now staying in one of garrisons in the Moscow region and is training under a special programme based on the experience of peacekeeping operations in the Dniester region, South Ossetia and Abkhazia. The brigade with a numerical strength of 1.5 thousand is training in conditions of high alert for being rushed to Bosnia where battalions of the formation will assume key positions in the Posavina corridor dividing the conflicting sides.

Representative of the general staff of the Russian Armed Forces in NATO headquarters, Colonel-General Leontiy Shevtsov will supervise the exercises of the brigade before its being dispatched to the former Yugoslavia, the Russian Defence Agency reported.

Kozyrev on Participation in Peace Force for Bosnia

LD2911103895 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 28 Nov 95

[FBIS Translated Text] Today's central international event took place in Brussels. The defense ministers of the North Atlantic bloc were meeting there, and Pavel

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Grachev and William Perry were discussing the issue of Russia's participation in the peacekeeping operation in Bosnia. Irina Merkulova notes that the main problem of political control has not yet been solved.

[Merkulova] Pavel Grachev informed journalists that several versions were discussed; they are now being considered by the defense ministers of all the NATO member countries. Another meeting between Pavel Grachev and the defense ministers will be held at the headquarters of the alliance this evening. Pavel Grachev hopes that a solution to the problem may be found today.

For his part, Russian Foreign Minister Andrey Kozyrev believes that for Russia the very fact of its participation in the operation in Bosnia is important. The warring sides have determined its format, they have recognized NATO's leading role.

[Begin Kozyrev recording] We need to find a form for our participation in the operation which would, in my view, give us a worthy and equal place so that our voice may be heard when determining the concept, tasks, and rules for conducting the operation. This is not really a political issue; it is a military issue. [end recording]

[Merkulova] I would like to add that Russia will send 1,500 servicemen to Bosnia; they will be deployed in the hottest sector — in the area of the Posavina corridor.

Kozyrev, Yushenkov on 'NATO Plus Russia'

LD2911103795 Moscow Radiostantsiya Ekho Moskvy in Russian 0900 GMT 29 Nov 95

[FBIS Translated Excerpt] Political and military supervision of the operation of the multinational forces in Bosnia will be exercised by NATO, and Russia will be able to take part in this supervision through the Consultative Council by means of the formula 16 plus 1. The council will not work on a permanent basis. It is thought that representatives of Russia and the NATO Council at the ambassadorial level will regularly meet for consultations. [passage omitted, summarizing agreement: 6,000 soldiers to take part, Russia to send 2,500 servicemen]

Russia's Foreign Minister Andrey Kozyrev, in an interview with our radio station, said the most important thing is for us to take part in the international forces' operation. He said cooperation with NATO is an alternative to expanding the North Atlantic alliance. A similar viewpoint was expressed by Sergey Yushenkov, head of the Duma Defense Committee .

[Begin Yushenkov recording]] I think Russia should cooperate more actively with NATO and I see no obstacle to Russia becoming an associated member of NATO. If Russia really became an associated member of NATO, then the formula NATO plus Russia, or plus one, as it is called, would be possible. Such a formula would then be quite feasible. [end recording]

Bosnian Summit in Moscow Seen 'Unlikely' This Year

LD2811154495 Moscow INTERFAX in English 1519 GMT 28 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 28 (INTERFAX) — A meeting of Serbian, Bosnian, and Croatian leaders under Russian President Boris Yeltsin's auspices is unlikely this year, a top Russian foreign ministry official declared in an interview with INTERFAX today.

However, Russia's proposal to hold such a meeting stands. "And so does the consent of the former Yugoslav republics leaders to come to Moscow. However, they will hardly manage that this year," the source explained, adding that presidents of Serbia and Croatia, Slobodan Milosevic and Franjo Tudjman and chairman of Bosnia-Herzegovina Alia Izetbegovic are to participate in a conference to be held in Paris on December 4 or 6 to sign the peace accords on former Yugoslavia, worked out in Dayton, Ohio, United States.

Yet another important event will take place as part of the settlement process in London on December 8 or 9, attended by foreign ministers of the Contact Group countries—Russia, United States, Britain, France, and Germany, and Milosevic, Tudjman, and Izetbegovic.

"Christmas holidays, which in most European countries will start soon after the London conference make yet another meeting in Moscow by the end of 1995 unfeasible," the diplomat said, suggesting that such an assembly can take place early next year. "The process of translating the Dayton agreement into action is designed for one year," he remarked.

It was initially planned that a Moscow meeting would precede negotiations in Dayton. It had already been scheduled for October 30, but President Yeltsin's hospitalization postponed the arrival of the leaders of three Balkan countries in Moscow.

Filatov, U.S. Ambassador Meet on Bosnia, Elections

LD2811230995 Moscow Russian Public Television First Channel Network in Russian 2035 GMT 28 Nov 95

[FBIS Translated Text] Sergey Filatov, head of the Russian president's administration, had a meeting in the Kremlin last week with U.S. Ambassador Pickering, at the latter's request.

Mr. Pickering informed the head of the administration of the measures which the U.S. side proposes to undertake

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with regard to settling the events taking place in the Balkans, noting at the same time that his visit to the Kremlin is connected with his aim of acquainting the Russian president with the viewpoint of the U.S. President.

The two sides called attention to the fact that it is very important to have cooperation between the two states on the question of the Balkans crisis.

During the conversation, problems of the upcoming elections to the State Duma were touched upon. Replying to a question from Mr. Pickering, Sergey Filatov noted that the Russian leadership is concerned about problems connected with the consequences of the elections — what the new State Duma will be like, and also to ensure that the elections should be really democratic.

[Begin Filatov recording] We consider that, at first, in democratic elections it is extremely important to conduct them cleanly, to ensure that there are no suspicions, no hitches by which one could alter the elections, and thus create a very difficult situation in the country. [end recording]

The head of the president's administration stressed that it is impermissible to postpone the elections for any reason. In the opinion of Sergey Filatov, much will depend on how the election campaign is conducted, on who speaks, and how they speak. This latter point will affect the voting intentions of around 36 percent of the electorate who have not yet decided how to vote.

Gen. Gromov Links Bosnia Plans to NATO Expansion

MM2811154495 Moscow KOMSOMOLSKAYA PRAVDA in Russian 28 Nov 95 p 6

Interview with General Boris Gromov, chief military expert at the Russian Ministry of Foreign Affairs, by Yelena Kalyadina under the "Authoritative Expert's Opinion" rubric; place and date not given: "For the Motherland, for Clinton? 'Afghan' General Boris Gromov Warns of a New Russian Adventure — This Time Under the NATO Flag" — first two paragraphs are KOMSOMOLSKAYA PRAVDA introduction]

[FBIS Translated Text] The solemn first act of general approval for the U.S. pacification plan in the former Yugoslavia inevitably entails a second one. Namely, the project's direct implementation in Balkan life, which at present remains tense. Understandably, this very difficult process can proceed only under the sensitive leadership of its originator. This is what is envisaged in the military operation expeditiously worked out in the U.S.-led North Atlantic Alliance. It is courteously proposed that Russia, which has given the U.S. diplomatic peacekeeping effort what assistance it could, participate in it. A Russian brigade consisting of two (possibly three) battalions will be incorporated in the U.S. Army's 1st Armored Division. How will it be incorporated, at whose expense, and with what tasks? This will probably become clear any day now, after Minister Grachev's next talks at NATO headquarters. But why, in fact, does Russia need all this? I am afraid that we will not receive such a quick answer to the main question. This, in my opinion, is because we ourselves have not yet understood what we are to do in the Balkans or why, when it comes right down to it, we need the Balkans.

But for the time being I asked General Boris Gromov, chief military expert under the minister of foreign affairs, to share his thoughts on the Russian involvement in the NATO operation. The disgraced Afghan hero, incidentally, gave the interview as a private person — for the simple reason that his viewpoint does not coincide with the official one. This is interesting. But something else is far more interesting. It turns out that the foreign policy department's chief military expert was not involved at all in drawing up the program of Russian involvement in the NATO operation.

[Kalyadina] Really?

[Gromov] Yes, strange though it may seem, the Ministry of Foreign Affairs did not participate in this. The main drafter was the Ministry of Defense. Whereas, according to all the rules, including the president's edicts, foreign policy activity has to be coordinated by the Ministry of Foreign Affairs. But it turns out that the minister of defense bypasses the Ministry of Foreign Affairs when resolving foreign policy questions.

[Kalyadina] Nevertheless, Boris Vsevolodovich, I do not doubt that you are in the know. So let us speak specifically: What will be the strength of our contingent, what functions are entrusted to it, who will be awarded the honor, so to speak?

[Gromov] The strength is small compared with the 60,000-strong total NATO contingent — a 1,000-strong brigade of airborne troops, probably contract servicemen. On the other hand, this brigade will have plenty of work to do. It will be stationed in Bosnia's hottest spot — the Posavina corridor, where the zones of control of the three opposing sides come together. Our guys will be under NATO command.

[Kalyadina] Pardon me, but Pavel Sergeyevich [Grachev] tries to cheer us up by portraying as a great military-political victory the fact that he succeeded in avoiding precisely direct NATO command. He assures us that the Russian forces will be under the command

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not of a NATO commander but of the chief leader of the forces carrying out the peacekeeping operation, who is George Joulwan, a four-star U.S. general. If his deputy — Colonel General Leontiy Shevtsov, commander of our brigade — deems his chief's order unacceptable, he has every right to question it....

[Gromov] What difference will it make what Gen. Joulwan, supreme commander in chief, NATO forces, Europe, calls himself? This would be the same as if I, in issuing an order to my assistant, were to call myself Gromov now and colonel general a minute later. In addition, I cannot understand the expediency of the actual command mechanism. For, in addition to general operational control, everyday "tactical" control will also be exercised over our contingent — again by an American. Why is this chain needed?

[Kalyadina] Probably, as a U.S. colleague of mine aptly put it, in order to "efficiently carry out NATO orders, even though they are not drawn up on North Atlantic forms." But what tasks will our peacemakers carry out? Maybe we will have some independent functions?

[Gromov] We cannot have separate functions. Since everything has been planned within NATO, including the location for our brigade, NATO will also set us our tasks.

[Kalyadina] Are they known at present?

[Gromov] Not yet. Although to some extent they might already have been conveyed to the General Staff or the minister of defense. But this fact itself is important: Russia is under NATO command. Could any more eloquent example be found of the position we now find ourselves in on the international arena....

[Kalyadina] Then let us speak about this position. Maybe it is not at all so humiliating for us to be under NATO command. For from all viewpoints — geopolitical, historical, spiritual — the land of the former Yugoslavia is closer to us than any other. Therefore we must at all costs stand on it, in whatever capacity.

[Gromov] I believe, in general, that a country which has ended up in ruins, like ours, must nonetheless have both its own positions and its own interests. This also applies to the situation in the Balkans. But it is necessary to take a considerably broader look at it. It is a question not only of Bosnia, about which, incidentally, we sometimes speak more today than about what is being perpetrated in our own country. After all, today Bosnia, but tomorrow — God forbid — something else.... So Bosnia is, as it were, a small brush stroke, which people have blown up to incredible proportions, artificially concealing the chief thing. The chief thing is that on the territory of the former Yugoslavia NATO is taking another step toward its own expansion. This is a disaster on many counts. It means the end of the Helsinki agreements and, thus, the possible emergence of territorial disputes, and there are a very great many such sectors in Europe. It means coming closer to our borders and completely disrupting the parity that exists in Europe and, consequently, the treaties associated with it.

[Kalyadina] In other words, Bosnia is a kind of NATO test range for rehearsing strategic tasks.

[Gromov] I would say even a new NATO territory. Although it is also a test range. For regular NATO subunits were sent there under the UN flag. That is, if it was a battalion, it made up of NATO personnel — both the commander and his staff. They spent a certain time in Bosnia, did everything asked of them, and returned to their own location with new experience. But our guys served their time, returned home, and dispersed in all directions.

[Kalyadina] Incidentally, about the UN flag. Does it not seem to you that under the nice blue flag the NATOites have not only pumped up their muscles but also discredited the organization's peacekeeping abilities in order to display their own without hindrance?

[Gromov] In general, the start of the UN operation was correct. But then.... You remember how events developed. There were times when everything in general was moving toward peace. But then suddenly. For what purpose, one wonders, would the Serbs fire on some Sarajevo market? In order to expose themselves to further sanctions? A rhetorical question, as the saying goes.

[Kalyadina] So what must we do?

[Gromov] Not live only for today, only for Bosnia. We must define clearly what we want. But we do not yet know this. What do we want in Europe, in the world? Do we have any strategy at all? The country is told that the Ministry of Foreign Affairs works badly. It is not the Ministry of Foreign Affairs that works badly but the one who is meant to direct the Ministry of Foreign Affairs. For the Ministry of Foreign Affairs itself does not draw up the foreign strategy. Without a master line we will go on zigzagging from side to side.

Of course, the easiest thing is to shout desperately that people are dying in Bosnia. Yes, to our huge regret, they are dying. We must try to help to end the bloodshed. But, may people in Bosnia forgive me, it is not the most important thing in Europe for us today. The most important thing is for us to define our position.

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[Kalyadina] But while we are defining our position and resolving global tasks, we could neglect specific ones in Bosnia. Or should we altogether give it up as a bad job and not send our soldiers there?

[Gromov] Why? We could send our own troops to Bosnia, only not under NATO command. The most important thing is that we must come out firmly against the North Atlantic bloc carrying out this whole operation. Not because I personally dislike NATO. No, I favor cooperation. But not cooperation conducted with the help of a stick. The NATO path will lead to nothing good in the former Yugoslavia. This, I repeat, is not just because it is a military path. It is what NATO needs to ensure its interests.

[Kalyadina] Boris Vsevolodovich, do you not think that NATO's propagation of peace in Bosnia will result in a new and still more cruel war?

[Gromov] Well, of course not World War III, as some people predict. But if NATO continues only to crush by force and only the Serbs, then it will be impossible to preserve even what there is today.

[Kalyadina] But, if NATO behaves aggressively, will Russia be capable of exerting its influence, including strong-arm influence, as the president has warned us?

[Gromov] If NATO had felt that Russia was capable of this, it simply would not have gone into Bosnia.

[Kalyadina] Will we have even the moral right to oppose the implementation of plans which we ourselves approved? Moreover, even Gen. Shevtsov's advisory voice seems very weak. This, in particular, was confirmed recently by U.S. State Department Spokesman Nicholas Burns, who, word for word, declared the following: "I totally rule out the possibility that the Russian commander will refuse to obey the U.S. commander's order. They will be disciplined soldiers. They know what they are getting into...." But you, Boris Vsevolodovich, the way I understand it, do not quite agree with Mr. Burns. You believe that all our troubles in the Balkans stem precisely from ignorance and lack of understanding. But what must be done? You have been to the former Yugoslavia several times. Do you have any idea how its problems can be resolved?

[Gromov] Exclusively by political means. If the countries which have their own interests in this region really want peace, they must not approach it by way of a new war. I say this with the right of someone with similar experience.

[Kalyadina] I shall take this opportunity to ask about your new experience. Do you find your present post at the Ministry of Foreign Affai.. comfortable?

[Gromov] I like the work very much. I tackle questions which are of interest to me and which I understand. My opinion seems to be heeded. Only I have not received my wages for eight months now. Never mind, this even encourages a healthy way of life, particularly the diet. This is good. Because when someone eats a lot, he gets fewer ideas.

[Kalyadina] Then I wish you more new ideas.

Policy of Non-Interference in Afghanistan Remains

LD2811174195 Moscow ITAR-TASS in English 1405 GMT 28 Nov 95

[By Valeriy Sevryukov]

[FBIS Transcribed Text] MOSCOW, November 28 (ITAR-TASS) — Russia's stance on Afghanistan's internal conflict remains non-interference, Russian Foreign Ministry spokesman Mikhail Demurin said here today.

He dismissed Western media reports alleging that Russia is meddling in Afghanistan's internal affairs.

The Russian Foreign Ministry says there is no truth to those allegations, Demurin said.

He said Russia wants an end to the bloody stand-off in Afghanistan, political settlement and preservation of territorial integrity by Af..anistan.

Poland's Kwasniewski Gives Interview on Relations

LD2811225695 Moscow ITAR-TASS World Service in Russian 1644 GMT 28 Nov 95

[ITAR-TASS correspondent Aleksandr Potemkin]

[FBIS Translated Text] Warsaw, 28 Nov (ITAR-TASS) — Having received the necessary powers as president, I would like to make use of this opportunity to invigorate relations between Poland and Russia. I am absolutely convinced that these relations will render a good service to the new European architecture. This was stated today by Poland's President Aleksander Kwasniewski in an exclusive interview for ITAR- TASS, choosing the agency to be the first among the Russian media since his election to the highest state post.

What is taking place in Poland and our European desires, said the "president-elect" — for this is Aleksander Kwasniewski's official title until he is officially sworn-in as president — are tied to a new perception of Europe, which we joined in 1989. However, it is not directed against Russia, absolutely not, and it would be bad were it to be interpreted in this way. In order for this to become clear, we must show that Polish-Russian relations

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are full of content, are abundant in various forms, and are more active.

According to Poland's new president, much can yet be done with regard to mutual interests. In recent years many opportunities in the sphere of bilateral relations have not been fully utilized. The first thing that must be done is to ensure that economic treaties already concluded between the governments of our two countries begin to yield effective results, and there is hope that they will soon be to hand.

"Within the framework of contacts I will initiate following my inauguration, I would like to meet Russian politicians and to talk about new horizons and opportunities," Aleksander Kwasniewski stressed. He believes that "there is no need for any revolutionary changes" in this sphere, and that what is evidently needed is "greater activeness and a greater openness" on both sides.

U.S. Diplomat's 'Unparalleled' Article Viewed

MM2911095495 Moscow IZVESTIYA in Russian 29 Nov 95 p 3

[Report by Vladimir Nadein: "Personal Opinion Sanctioned at the Very Top. Washington Repercussions of Moscow Scandal"]

[FBIS Translated Text] Washington — Whatever U.S. Ambassador in Moscow Thomas Pickering may say, the publication of an article by a high-ranking U.S. diplomat in the Russian press is an exceptionally rare thing. But a publication harshly criticizing the upper echelons of power of the country where the official in question is accredited is a totally unparalleled step.

"I can assure you that we had no intention of annoying the Russians. But in a free society people must learn to distinguish between personal and official views."

Those comments from Thomas Pickering are cited in an article by Alessandra Stanley, THE NEW YORK TIMES Moscow correspondent. The article is headlined: "Breaking With Protocol, High-Ranking U.S. Official Lashes Warring Kremlin 'Clans.'" The article's subhead: "Moscow furious at what it regards as a veiled threat from Washington."

A little further on the correspondent cites a remark by Thomas Graham, embassy first secretary and author of the article published recently in NEZAVISIMAYA GAZETA: "It is important for Russians to have an idea of what individuals within the U.S. Embassy think about their country," the U.S. diplomat told the U.S. journalist. "Not everything that is said at the top government level reflects the everyday thoughts of government analysts."

The correspondent picks out a few highly typical quotations from the full-page article. Employing Thomas Graham's classification, she lists the "warring clans" in the upper echelon of power: the oil and gas industry faction with its leader Viktor Chernomyrdin, the Moscow group, with its interests in banks and real estate, which is headed by Mayor Yuriy Luzhkov, and the group of Kremlin insiders led by three individuals: Aleksandr Korzhakov, Mikhail Barsukov, and Oleg Soskovets.

In Graham's view, "these clans contain few convinced supporters of democracy; none of the clans is committed to democratic ideals, despite public assurances to the contrary." The embassy first secretary believes that the "elections represent a danger to the elites, since although they retain the levers of power, they have less and less idea what is going on in society." In fighting for political stability, the author asserts, these elites are primarily trying to secure for themselves power and access to the country's financial resources.

In conversation with the U.S. correspondent Ambassador Pickering made no secret of the fact that Thomas Graham's text was agreed with him and was also sent for approval to the U.S. State Department before it was handed to NEZAVISIMAYA GAZETA. Anybody who knows even by hearsay of the strict procedures within U.S. diplomacy should not doubt this for even a moment. It simply could not have been otherwise. Otherwise Thomas Graham would have had to resign first, and only then make an appearance as an author in NEZAVISIMAYA GAZETA in order to raise urgent matters in its pages.

That these are urgent matters is beyond question. Thomas Graham is one of the best qualified U.S. experts on Russian affairs. His interest in our country is more serious and deeper than ordinary official interest. On the basis of a six-year acquaintance with him I have reached the conclusion that Thomas not only knows Russia but loves it, feeling sincere sorrow at our setbacks and joy at our successes. He is not merely a formal signatory carrying out his government's action. He wrote what he truly thinks and firmly believes.

But Graham is professional enough to realize one decisive circumstance. Namely: His article contains nothing that an ordinary Russian who carefully reads the ordinary Russian press would not know. This indicates that the top counselor at the U.S. Embassy to Russia did not set himself the task of sowing what is rational, good, and eternal.

The calculation was dictated by a rather complex task. The U.S. Government found itself in a strange position. On the one hand, Washington is entirely satisfied with the development of bilateral relations. The process

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of nuclear missile disarmament has gone ahead of schedule, curbed only by the shortage of funds for the destruction of the lethal weapons. All serious differences have been settled one way or another: from the Indian rocket deal to participation in Bosnian peacekeeping. Meetings at top level, once grim protocol summits timetabled to the second, in the hands of Yeltsin and Clinton have been held to the accompaniment of friendly backslapping and touchy-feely bear hugs. Matters have not reached the point of kisses and cries of "America is striding out!" simply because of the U.S. lack of education in this sphere.

On the other hand, the administration increasingly shared the feelings of the U.S. public. Fear has been squeezed out not by respect, but by repugnance. Not toward people — the U.S. press is full of sympathetic pieces about the troubles of the elderly, children, intellectuals, and simply honest people. Nor does organized crime inspire contempt. Americans know what this scourge is like and how hard it is to eliminate it.

But the Russian authorities.... Their competence, morality, and attitude toward public opinion were beneath criticism. But the nine top-level get-togethers did their work. The White House acquired the reputation of a defender of the Kremlin. The reputation was becoming increasingly dangerous, promising the Clinton administration substantial losses both at home and in Russia. The time had come to get away from the threatening myth of a fine friendship, leading to love. Even at the price of a loud scandal.

But will there be a scandal? All the formal grounds exist for one. The Americans have not merely violated protocol. They have acted with the unceremoniousness characteristic of a feudal lord's relations with a vassal. They have resolved their own political problem at the expense of their partner, totally unabashed by the provocative egoism of this step.

However, a stern protest to Ambassador Pickering, still less the declaration of Thomas Graham persona non grata (the Russian Foreign Ministry is not ruling out this possibility — Editor's Note), no matter how formally justified these measures may be, will not help the Kremlin to save face. Because it is not only the U.S. diplomat's article that is unusual. The Russian Government is also extremely unusual — it does not allow the country to know what is wrong with its president and how sick he is, it is not providing a specific report on the premier's financial status, it is not disclosing the cost of a war against its own province, it is not investigating charges against the defense minister, and it only recently requested a person around whom scandal after scandal had arisen to quit as general prosecutor.

In the opinion of one expert on official Washington, Bill Clinton quite clearly had no part in this operation. At the moment he is totally preoccupied with domestic matters.

But even if the scandal reaches the President, there will be no public dressing-down. Because Thomas Graham said something that Bill Clinton would never say to Boris Yeltsin, although only the First Lady knows how much he would sometimes like to.

Sharp Criticism From Kozyrev

LD2811180295 Moscow INTERFAX in English 1623 GMT 28 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 28 (INTERFAX) — Russian Foreign Minister Andrey Kozyrev on Tuesday severely criticized an analytical feature published in a Russian newspaper by a senior U.S. diplomat.

In the article, headlined "The New Russian Regime" and published in the liberal Moscow daily NEZAVISIMAYA GAZETA (Independent Newspaper) on November 23, Thomas Graham, first secretary of the U.S. Embassy in Moscow, gave his own view of the current political situation in Russia.

Kozyrev told reporters in Moscow he was "categorically against any form of censorship" but believed "one's official position should put certain limits" on what one said.

"We were surprised by the fact that the author of the article was an official, a member of an embassy," he said.

"The tone of the article and some of its theses are somewhat unusual to come from an official. We drew the attention of the United States Embassy...to this. I hope the incident will be concluded."

"I, for example, reserve for myself the right to make much more detailed statements on a whole series of problems after my status has changed and I have become an ordinary individual," the minister went on. "But that will come later."

"All of us are to some extent wearing straitjackets. In other words, what we are saying applies to ourselves as well as to the American diplomat," he said.

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NEZAVISIMAYA GAZETA Editor Cited

LD2911103195 Moscow NTV in Russian 2100 GMT 28 Nov 95

[From the "Today at Midnight" program]

[FBIS Translated Text] The problem of mutual relations with NATO and, to put it bluntly, of partnership with America in strategic issues, was nearly put in jeopardy the other day by incautious actions on the part of NEZAVISIMAYA GAZETA journalists. Many observers, incidentally, consider everything that has happened to be the touchstone for a possible tightening up of the foreign policy line on both sides.

The scandal which has blown up over the publication in the 23 November issue of NEZAVISIMAYA GAZETA of an article by Thomas Graham, the first secretary of the U.S. embassy in Moscow, was unexpectedly boosted on Tuesday.

[Begin Vitaliy Tretyakov, chief editor of NEZAVISIMAYA GAZETA, recording] I know Thomas Graham, he really is a good diplomat. I bumped into him somewhere or other and asked what he was doing at the moment. I had heard he was writing an article which I thought was interesting for a number of reasons and I suggested publishing it in NEZAVISIMAYA GAZETA. [end recording]

The article asserted that Russia is ruled by hostile clans which are by no means champions of democracy but are, on the contrary, engrossed in an internecine struggle for economic and political power. The very next day, the Russian Foreign Ministry expressed a strong protest to the U.S. Embassy and demanded an official explanation. The State Department issued a statement to the effect that the article does not express the views of the U.S. Government. To judge from all events, it cannot be seen as a sign that a freeze is about to descend upon relations between the two great powers. The editorial office is surprised that an ordinary article should have had such reverberations.

[Begin Tretyakov recording] I find it hard to comprehend that, as I am aware, people have allegedly read this article as an indication that the publication of the article in question is a signal for the Kremlin that the United States is in some way changing its position in regard to the Kremlin, to Moscow, to official Russia, to the administration of the president and to the person of Boris Yeltsin. In my view, the idea of reacting in this way to the article comes not from the Foreign Ministry, but from the presidential administration. That is how it seems to me, anyway. [end recording]

On Tuesday, Andrey Kozyrev voiced his astonishment at such thoughtlessness on the part of an official, a member of the U.S. Embassy staff. With a reminder that diplomatic status puts certain limits on those who possess it, the minister cited himself as an example of restraint in delicate situations.

[Begin Tretyakov recording] Well, citing one's own conduct as an example to others is not exactly the best way, because as far as I recall, Andrey Vladimirovich has written some memoirs as foreign minister, and there was a lot of criticism of some things he wrote. [end recording]

As compensation for the upset, the editorial office plans to publish an article with Andrey Kozyrev himself very soon.

[Begin Tretyakov recording] One of the questions in the interview might be a request for all the details about this intrigue over this ill-starred but very good article by Thomas Graham. [end recording] [video shows U.S. Embassy in Moscow, clip of Andrey Kozyrev, newspaper article, interview with Tretyakov]

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Political Issues

Medvedev: Yeltsin Has 'Strenuous' 29 Nov Schedule

LD2911100795 Moscow ITAR-TASS in English 0838 GMT 29 Nov 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, November 29 (ITAR-TASS) — President Yeltsin has a rather strenuous working schedule for today, his Press Secretary Sergey Medvedev told journalists from Russian news agencies. According to Medvedev, Yeltsin will have meetings today with his first aide Viktor Ilyushin, Chairman of the Central Bank Sergey Dubinin, CIS Executive Secretary Ivan Korotchenya and Patriarch of Moscow and All Russia Aleksiy II.

Ilyushin will brief the president on the current situation. With Dubinin the president will discuss the currency policy and ways to ensure the stability of the banking system. Korotchenya will brief Yeltsin, who is chairman of the CIS Council of Heads of States, on prospects of the consolidation of CIS and preparations for the forthcoming CIS summit. At his meeting with Patriarch Aleksiy II they will discuss preparations for the celebration of the anniversary, which is the holiday of all Christians — the 2000th anniversary of the Nativity.

Yeltsin, Premier Discuss Reshuffle, Other Issues

LD2811152295 Moscow ITAR-TASS in English 1503 GMT 28 Nov 95

[FBIS Transcribed Text] MOSCOW, November 28 (ITAR-TASS) — Russian President Boris Yeltsin on Tuesday had a working meeting with Prime Minister Viktor Chernomyrdin.

During the meeting, the head of state arrived at the decision to dismiss some heads of federal bodies and appoint new ones. Yeltsin and Chernomyrdin also discussed the payment of pensions and wages, the upcoming elections and the situation in Chechnya.

The meeting was held in Barvikha sanatorium near Moscow on Tuesday, the presidential press service reported today.

Regarding the planned reshuffle, the report of the press service does not say what posts are meant.

According to the information of the press service, during the meeting the prime minister reported to the president on fulfilling his instructions for the timely payment of pensions and wages and noted that the government fulfilled its obligations completely.

Opinions on the political situation in the country in connection with the upcoming elections to the State Duma were exchange during the meeting.

Yeltsin and Chernomyrdin also discussed the ways of regulating the situation in the Chechen republic, the report says.

Premier To Resolve Miners' Issues

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, November 29 (ITAR-TASS) — President Boris Yeltsin instructed Russian premier Viktor Chernomyrdin "to clear up the situation (in the shortest possible time with participation of all interested sides) on non-payment of wages to miners and to take measures on preventing cases of large-scale violations of labour legislation at mines", presidential press secretary Sergey Medvedev told the Russian media on Wednesday.

According to the press secretary, the head of state received many appeals, letters and telegrams from mining areas in the recent past, most of which deal with one topic — untimely payment of wages to miners.

The president raised this problem at a meeting with Chernomyrdin on Tuesday [28 November] and gave an appropriate instruction to the cabinet head.

Yeltsin Fires Health Minister; No Successor Named

LD2811180995 Moscow ITAR-TASS in English 1734 GMT 28 Nov 95

[FBIS Transcribed Text] MOSCOW, November 28 (ITAR-TASS) — Russian President Boris signed a decree on Tuesday to dismiss Eduard Nechayev from his duties of Russian Minister of Health Care, the presidential press service said.

Nechayev held the post of health minister from January 1994. The report of the presidential press service does not say who will occupy the post.

Yeltsin Grants Dubinin, Osipov Decision-Making Powers

LD2811185895 Moscow ITAR-TASS in English 1851 GMT 28 Nov 95

[FBIS Transcribed Text] MOSCOW, November 28 (ITAR-TASS) — Russian President Boris Yeltsin signed on Tuesday a decree granting to Chairman of the Russian Central Bank, Sergey Dubinin, and to President of the Russian Academy of Sciences, Yuriy Osipov, powers for active participation in the government's activity and in decision-making on par with members of the Presidium of the Russian government.

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The decree says that the decision on giving broader powers to Dubinin and Osipov was taken on the proposal of the Russian prime minister. ITAR-TASS received the decree from the presidential press service.

Sergey Dubinin was born in Moscow in 1950. He is Doctor of Economic Sciences, Professor. He worked as first Deputy Finance Minister of Russia and Acting Minister. On December 22, 1995, the State Duma endorsed his appointment Chairman of the Central Bank of Russia.

Yuriy Osipov was born in Sverdlovsk in 1936. He has been Academician from 1987 and President of the Russian Academy of Sciences from 1991. He distinguished himself by his work in mechanics and applied mathematics.

Premier Views Plans To Restructure Foreign Debt

LD2811184495 Moscow ITAR-TASS in English 1744 GMT 28 Nov 95

[By Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, November 28 (ITAR-TASS) — The Russian government plans shortly to sign an agreement with its Western creditors on the restructuring of foreign debt. Under the agreement Russia will be paying for another five years no more than one per cent of gross domestic product (GDP) toward repaying external indebtedness, Prime Minister Viktor Chernomyrdin told ITAR-TASS on Tuesday.

He commented on some publications on the problem of Russia's external indebtedness that appeared in the Russian press of late.

The prime minister refuted assertions of some journalists that under the agreement on restructuring foreign debts Russia will have to pay out around 20 per cent of its GDP every year. Regarding the credit Russia received from the International Monetary Fund (IMF) in 1995, Chernomyrdin noted that "It was meant to cover the federal budget deficit."

"We are aware that the Russian economy is in the offing of an upward swing and we are confident about repaying our debts," the prime minister said. "The budget deficit this year was covered by the government with borrowed money and this determined the situation. There will be no industrial upsurge unless we stop the inflation. Now that the inflation is being arrested it is apparent that we shall be able to increase production and repay debts," he said.

The head of the government specified some figures which, he said, were distorted in a number of publications. Thus, Chernomyrdin said that "Russia received IMF credit for 1995 at 4.5-5 per cent annual interest, that is at low interest, not at eight percent annual interest as some newspapers claim."

In addition, the prime minister noted that under the agreement with IMF, Russia will begin paying out the debt in three years, and until that time will only be paying the interest which is low by international standards.

The prime minister noted that the Central Bank keeps part of its foreign currency reserves in securities, also in other countries, but this applies only to "one-hundred per cent reliable securities."

Chernomyrdin pointed out that "Russia is mainly paying debts of the former union government, not Russian debt proper. Over two-thirds of the payments are to return debts of the Ryzhkov-Pavlov government," Chernomyrdin said.

Shumeyko Movement To Back Presidency, Not Individual

LD2911103995 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 0900 GMT 29 Nov 95

[FBIS Translated Text] [no dateline as received] — "I am planning to organize a movement designed to unite and consolidate the whole of society and be a bulwark of presidential power, not of a specific individual, but of the institution of the presidency as a whole," Vladimir Shumeyko, speaker of the upper chamber [Federation Council] of parliament, said on 29 November in an address to the organizing conference on setting up the Reforms — New Deal public movement. A Moscow Echo radio station correspondent reported this from the Federation Council.

"When it notices the nationwide support for the movement, even the government will have to pay heed and make adjustments to its work," Shumeyko believes.

Rossel Withdraws From New Movement

MK2811145995 Moscow KOMMERSANT-DAILY in Russian 28 Nov 95 p 3

[Report by Politics Desk: "President's Word Is Law for Governor"]

[FBIS Translated Text] The "Russian Reforms — New Course" all-Russia movement, proposed by Federation Council Chairman Vladimir Shumeyko and yet to be created, has already lost one of its supposed leaders. Yekaterinburg [as published; actually: Sverdlovsk Oblast] Governor Eduard Rossel stated yesterday that he was not going to participate in the movement.

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Rossel gives two reasons for the refusal to follow the "new course" proposed by Vladimir Shumeyko. Reason one, which does not seem to be the most important, is that he already leads "Transformation of the Fatherland" and does not intend to "erode Russia's only movement created in Yekaterinburg." Rossel would only agree to participate in the new project if the movement were called "Transformation of the Fatherland" and the program of "Transformation" formed the basis of the "New Course" program. Reason two and, apparently, the most important one: Rossel pointed out at a news conference in Yekaterinburg that the "New Course" question was discussed during his meeting with Boris Yeltsin in Moscow on 24 November. The president thinks that the new movement "is no good at all" and that he would generally "prohibit working on this question." So the governor only appears to be true to himself or, rather, to the president.

That is true, Rossel admits, that he added his signature to the document outlining the general principles of the new movement. Yet, he will not participate in the founding assembly of the new movement on 1 December.

As follows from Vladimir Shumeyko's statements, the movement's objectives are vast: "To become the fulcrum for the head of state to make political and other decisions." For example, to alter the course Russia is following on its way to democracy and market — "the same should be done but not the way it is being done now." You will remember that the "New Course" initiative group included in addition to Rossel two more governors — Leonid Roketskiy (Tyumen Oblast) and Yuriy Matochkin (Kaliningrad Oblast), the Khabarovsk Kray administration head Viktor Ishayev, and other prominent politicians who aspire to wielding influence in the regions. What lessons they are going to learn from the "Rossel case," if any, will become clear very soon.

Shumeyko 'Paving Path' for Presidency

MK2911070795 Moscow NEZAVISIMAYA GAZETA in Russian 23 Nov 9 p 2

[Article by Marina Shakina: "Nobody Wants To Be a Party of No Power. How New Is Vladimir Shumeyko's Course?"]

[FBIS Translated Text] It may seem strange that someone has had the idea to organize a new "mass nationwide political movement" at the height of the State Duma election campaign. A bit too late, perhaps. The "Russian Reforms — New Course" movement just created by Vladimir Shumeyko appears to be a long way away from the high road now being trodden by crowds of agitated candidates.

Those who have studied marketing, however, know the main rule of marketing strategy: A new commodity is put on the market as soon as the previous one reaches the peak of popularity. In the given case, if we describe the situation in terms of a political game rather than in terms of a marketing game, that means that Vladimir Shumeyko — above the barriers — has decided to offer society something for "after the parliamentary elections." The State Duma in this game is a thing of the past.

I should say that the desire of a number of prominent Russian political and economic figures to join hands in the new movement and to run in front of the locomotive, as it were, is producing an effect bordering on, I should not say comic (how can you laugh?), but rather astounding. Vladimir Polevanov, one of the new movement's founder, is going into the Duma elections at the head of another political association — the "For the Homeland!" [Za Rodinu!] electoral bloc. He is here and there — a duality that is rather tiresome for the voter.

What conclusion can one draw from a brief profile of the new movement?

First, remarkably, it is led by Vladimir Shumeyko — a person notable in politics, but who had remained a "lone wolf" until recently. Shumeyko did not side with any of the election blocs — he is generally not known to have a liking for any of the parties. There is only one political figure (to say nothing of Vladimir Shumeyko himself, perhaps) he does not tire of expressing piety to — this is President Yeltsin.

Second, the list of the "Russian Reforms — New Course" movement's founding fathers includes the most influential heads of Russian oblasts — Eduard Rossel, Yuriy Matochkin, and Leonid Roketskiy — the "masters" of, respectively, Sverdlovsk, Kaliningrad, and Tyumen Oblasts. And Vladimir Polevanov, one-time Amur Oblast governor.

The regions are a tasty morsel for Moscow politicians. There have been numerous attempts to play for this stake. Sergey Shakhray was the first to think that connections with the regions could provide him with a rather durable niche. The same road was followed until recently, albeit surreptitiously, by Yuriy Skokov, who back in 1991 headed the Council for Federation and Territorial Affairs under the RSFSR president. Later there began to emerge "Regions" electoral blocs and so on. But none of the Moscow politicians could fully tame the regions. Now it is Shumeyko who is trying to capture the banner of regionalism — the position of Federation Council speaker even provides him with formal grounds for that.

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Furthermore, he has in mind not simply the regions but regional parties of power, and in this sense Shumeyko's new movement appears to be a corporate movement held together by shared interests, rather than an ideological movement: It is chock-full of rather influential persons, where one's world outlook is priority number two. Or ten. Suffice it to mention Vyacheslav Zvolinskiy, one of the spiritual leaders of the agrarian and communist movements. Agricultural specialists describe him as one of the most stubborn orthodox preachers of the kolkhoz guards, compared to whom Lapshin and Starodubtsev are spineless liberals. This circumstance appears even more bizarre in light of the new "Russian Reforms — New Course" movement. The name is so bland that it can mean anything — even stopping reforms and turning them back. This is also a hint that, if need be, the "new course" can accept anyone into its ranks, as long as that someone is influential, of course.

The new circle is held together, perhaps, by the great-power mentality [derzhavnost] shared by its members (to a greater or lesser degree). Plus the currently fashionable leftist hue (it is, nevertheless, "reforms...." and a "new course....").

Thus, what is all this about? There is only one answer — it is about the presidential elections. This is why Vladimir Shumeyko has saved himself from the Duma. This is what he has prepared should the Federation Council plan flop — should they go and elect senators in accordance with the law, he would never become speaker. To all appearances, Shumeyko is putting together a shadow "party of power." One can of course assume that he is paving the election path for the second launch of President Yeltsin.

But it is no less probable that he is exerting himself for his own sake. It is too hard to imagine Vladimir Polevanov and Vyacheslav Zvolinskiy on the president's side of the barricade....

Zyuganov Notes Lessons of October Revolution

MM2411151095 Moscow SOVETSKAYA ROSSIYA in Russian 23 Nov 95 p 4

[Article by Gennadiy Zyuganov, chairman of the Communist Party of the Russian Federation Central Committee, "based on report delivered at the festive meeting in Moscow dedicated to the 78th anniversary of the Great October Socialist Revolution," under the "For Our Soviet Motherland" rubric: "Twelve Lessons of History"]

[FBIS Translated Text] These lessons are not just a summary of my own reflections. They are the result of a collective analysis of what has happened to the country. By no means everything is perfectly clear, but I firmly believe that the people's patriotic forces will jointly arrive at correct decisions and will succeed in pooling their efforts for the fatherland's rebirth.

First Lesson

The lesson of revolutionary shocks. Today we are hearing the outright lie that October was a conspiracy by isolated individuals, a coup d'etat. Revolutions are not made to order, nor are they made by individuals. Revolutions are social upheavals which resolve the most acute contradictions.

The beginning of the 20th century was marked by the first Russian revolution, but it was not an exception. It was followed by revolutions in the Ottoman Empire, in China, then two more in Russia, in Hungary, and in Germany. The United States, the citadel of bourgeois democracy, sang and danced in 1927, but the foundations of its prosperity collapsed totally in 1929: The selfish private ownership form of acquisition came into blatant contradiction with the needs of social development. The price it had to pay amounted to many millions of unemployed and total sway by gangsters.

The beginning of the resolution of this contradiction was marked by the Great October, and its victory became also the source of our great victory over fascism. Vladimir Ilich Lenin, who headed the revolution, gained universal recognition all over the planet. The best minds admitted: "This is a personality that renews mankind's conscience." He bluntly declared at the time: "The top is unable, the bottom is unwilling."

Unfortunately, Russia's incumbent rulers have drawn no conclusions from this lesson. In the situation prevailing in our long-suffering fatherland today those at the top are once more unable while those at the bottom are no longer willing to live in the old ways, they demand justice and restoration of all their fundamental gains.

Second Lesson

The lesson of social justice. The people's soul has never recognized unearned wealth and undeserved privileges. This was demonstrated not only in October. Look at our entire history, starting with Ivan Bolotnikov and Stepan Razin, Yemelyan Pugachev, the Decembrist nobility, the People's Will champions — they all advocated that justice be established in society. Justice, Lenin said just before October, is **the idea "which drives countless working masses all over the world"** and no force on this earth is capable of curbing the masses' yearning for justice.

Now the socialist gains have been demolished by the authorities. It is not justice when 20 million people are virtually unemployed and eke out a miserable existence. It is not justice when 15 million people are unable to

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feed their families. It is not justice when a semidestitute person has to sell his apartment to pay for his children's education, while a pensioner has to hand over two-thirds of his pension for housing and is left with no money for food. It is not justice when people have to pay millions for a ticket to travel to visit a friend or to attend a wedding or a funeral. It is not justice when 2 million children in the country are not attending school and almost 1 million are street urchins.

The powers that be must know that people in Russia have always championed liberty and a better life. And nobody will agree to abandon these demands.

Third Lesson

The lesson of alienation of power. A group of State Duma deputies visited Nicholas II in mid-December 1916. They were the leaders of six Duma factions united within the "Progressive Bloc." There was not a single bolshevik among them. They declared: Sire! The country is collapsing, it is agonizing. The gravest of crises is ripening — primarily the crisis of power. Unless a government accountable to the Duma is formed immediately, major shocks lie in store for us. The czar promised to make a decision. A day later he went back on his promise. Just two and a half months later the government, which had outlived its usefulness and was unable to function, fell.

Today's so-called democratic authorities have not drawn any conclusions from this lesson, either. As a result of the coup d'etat and the shoot-out with the Supreme Soviet, the country has stepped back into the distant prerevolution past — the structure of power that has been revived is exactly the same as the one that existed in Russia just before 1917. A czar-president who is not controlled by anyone. A parliament which decides nothing. A government which is not accountable to anyone. There is not even a unified government.

There is one government around Yeltsin, which has been changed three times. Initially it was headed by Burbulis who destroyed the Union; then by Gaydar who robbed the people overnight; and now by Chubays who has sold off the national wealth that was accumulated over the centuries. Chernomyrdin's government is rather reminiscent of an economic administration which is hardly obeyed even by production departments. There is yet another government concentrated in the Foreign Ministry. People say that Kozyrev is an inexperienced minister, but that is a lie. Inexperienced people make mistakes indiscriminately. But his mistakes have never ever been in Russia's favor. Finally, there is the government of the mass media. It shamelessly manipulates the people's minds. A real information war is being waged against Russia.

And the country is still writhing in agony. If we were to briefly sum up the lesson of the alienation of power, it could not be simpler: **Uncontrolled power is a plague for society.** We have spent a long time trying to scientifically define the present system of power — it does not fit within any definition except gangster rule. There will never be order in the country unless the authorities are placed under effective control. Hence our main slogan: Power must be returned to the people! And this must be done via democratic elections. All attempts to wreck the elections are criminal. And those who are striving to achieve this must be fully aware of the responsibility they will have to bear for such a crime.

Fourth Lesson

The lesson of impending catastrophe. A few weeks before October, Lenin wrote his outstanding work "The Impending Catastrophe and How To Struggle Against It." Analyzing the situation, he demonstrated the state in which Russia had found itself and offered an alternative for saving the country without civil war. Today the best brains — scientists from the Russian Academy of Sciences — have compiled a comprehensive analysis of the contemporary impending catastrophe: the report "Limits of Decline" [Predely Padeniya]. It contains some rather eloquent facts. It singles out 21 indicators of the state of society — the economy, social security, criminality, unemployment, and so on — where Russia has disregarded the warning signs. They point to a situation which is so catastrophic that it may end in a global tragedy. The power industry is on the brink. There are no grain reserves. Unemployment is rampant. Entire sectors have ground to a halt. Soil fertility is sharply declining. Drunkenness has spread to all strata of the population. Crime and gangs control entire oblasts.

The situation is extremely complex, it demands the pooling of efforts by many political forces and all branches of power. We are sounding the alarm, and yet our [president] "chosen by the whole people," who is only 500 meters away from the State Duma, has not deigned to go there even once in the last two years for a joint discussion of the situation. There is only one way out: To unite the left-wing and people's patriotic forces, to form in the newly elected State Duma a bloc which would put forward a government of national trust, its own program, and ways for peaceful extrication from this crisis.

Fifth Lesson

The lesson of common sense. Life is much more diverse and much more complex than the most brilliant

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theories. Practice alone is the criterion for judging their veracity.

After the revolution, many hotheads assumed that the revolutionaries need not learn anything about running the state, that a state along the lines of the Paris Commune would develop automatically. They were proved wrong. Lenin was always aware of this and, contrary to the hotheads of the time and the malicious fabrications circulating today, bluntly declared even on the eve of October: **"We are not utopians. We know that ordinary blue-collar workers and ordinary cooks are not capable of running the state right away."** This requires professional training. Tens of thousands of officers, functionaries, and specialists were reinstated in their posts and they loyally served the Russian fatherland.

The Civil War emergency made it necessary to embark on laying the foundations of socialism by going straight to direct commodity exchange, bypassing commodity-money relations. This was a failure because these relations cannot be "rescinded"; they must be organically experienced and this requires an entire historical era. Lenin promptly drew the proper conclusions and, within a matter of months, took very energetic measures for transition to the New Economic Policy. This policy was rejected by almost one-fourth of the party. But the party leadership had enough courage to pursue this policy and the country started rising before their very eyes. The New Economic Policy proved that, whenever a sharp confrontation is under way, it is necessary to be able to compromise so as to ensure the state's development and the nation's survival.

The Soviet Union collapsed primarily because of the monopoly on ownership, monopoly on power, and monopoly on truth. We have drawn serious conclusions from this. Our program bluntly states that it is impossible to abolish any form of ownership by decree until this form has fully exhausted its resources. But even so we advocated and still advocate dominance by the form of all-people's ownership which makes it possible to more effectively resolve the main tasks, the tasks concerning the training of an educated younger generation, social security and support for the elderly and the veterans, formation of a mighty modern army capable of defending the national and state interests. We are convinced that the lesson of common sense will help not only us but also our allies in the pooling of efforts.

Sixth Lesson

The lesson of ethnic originality. The history of mankind is the history of peoples and tribes inhabiting our planet. The negation of their ethnic originality is as absurd as the negation of sexual or age characteristics. At the same time, however, we must be aware of the specific features and characteristics of the peoples which inhabit vast spaces and were united within a great supra-ethnic community and a single mighty state not by conquest but mainly through cultural and spiritual assimilation and interpenetration.

This lesson is especially important for Russia. Its essence is that, just as the Russian people are the guardians of Russian statehood, the free ethnic development of peoples which have linked their historic fate with Russia is a cornerstone of Russian statehood.

The ideals professed by our compatriots since time immemorial are truth, goodness, and beauty. We have a golden-red world outlook and world philosophy. The attempts that were made to dub them "red-brown" were more than just subversion. They amounted to a loathsome undertaking — to associate the older generation with those whom they fought. There are no prospects of success for the attempts by people like Gaydar, Chubays, and others — who detest everything associated with Russia, the Soviet Union, and the people, who do not wish to see us living according to the laws of truth, goodness, and beauty — to drive our intellectual and daily life into the concentration camp of consumerism.

Seventh Lesson

The lesson of historical continuity. If we were to carefully study our country's history, we would notice the frequent occurrence of misfortunes which have been described by the single word "split." The split along religious lines led to some quite heavy shocks. The split along class and property lines led to confrontation which ended in the Civil War. The split along ethnic and territorial lines led to the country's disintegration and dismemberment. The present authorities are trying to revive and deepen all these splits. Those who until recently were trying to prove that there had been no noteworthy events in Russia's history prior to 1917, are now working to prove that everything in our latest, Soviet history had been bad and that this had been nothing but a "black hole" period. If nothing else, the fact that our country and party ensured victory in the Great Patriotic War will stand to their credit before history's most awesome judgment.

Any actions aimed at unraveling the uniform historic texture of our past are absolutely impermissible. Our past must be perceived as the foundation of the people's creative potential, the basis of the country's unity as a state and its strong edifice as a great power. Hence our main slogan: We will take into the 21st century everything that is best in Russia's more than 1,000-year history and in world practice.

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Eighth Lesson

The lesson of the big lie. I have had occasion to read documents drafted in the darkest corners of the world. Plans to destroy and undermine our country from within. Having realized that there are no prospects of victory in direct confrontation with the Soviet Union, strategists across the ocean chose another option. Its essence is cynical in the extreme, because each point in this option is based on a big lie which our fellow-citizens should believe. The first point read: The gullible Russian people must be convinced that they are living in the last and most predatory empire on earth, and that their lives would improve if they were to separate and make their way to their own ethnic homes. The second point read: It is necessary to prove, especially to the younger generation, that the USSR was not the architect of victory [in World War II], but was as evil as the fascists and there are no reasons to respect it. The third point issued a directive: It is necessary to pursue the arms race and prevent the USSR from realizing its advantages — the social programs. The fourth point prescribed the fanning of nationalism and religious extremism with a view to blowing up the country from within. The fifth point formulated the main condition: This program cannot be implemented without crushing the CPSU, without seizing the mass media, and without duping the country's citizens.

This big lie is obvious today. First the criticism of stagnation, then of Stalin, then even of Lenin. People today are erasing from history everything that is brilliant and bright. Today's school textbooks make almost no mention of Pushkin, Tolstoy, Dostoyevski, or Nekrasov, they make no mention of [Boris Polevoy's] "A Story About a Real Man" [Povest o Nastoyashchem Cheloveke] or of the novels "How the Steel Was Tempered" [Kak Zakalyalas Stal] [by Nikolay Ostrovskiy] or "They Fought for Their Country" [Oni Srazhalis za Rodinu] [by Mikhail Sholokhov]. What we have instead is outright political and literary pornography. Textbooks of this kind are being written under the Soros Foundation's sponsorship. Not on the subjects of the strength of materials, physics, or mathematics but on literature, culture, and Russian history. This is being done in order to destroy memory. Once memory is destroyed, anything can be unraveled.

Ninth Lesson

The lesson of the hidden agenda. While studying materials on human rights, I counted about 300 persons who have been exiled from the country. Some, like Zinovyev and Maksimov for example, quite undeservedly. In every case, however, well-wishers in the West screamed: "You are violating human rights!" In some cases they were right, in others they were wrong. But this is not the lesson; the lesson lies in the fact that today, when 80 percent of the population have been robbed clean, nobody talks about human rights. Today, when millions of our compatriots have been separated by absurd borders, when 25 million Russians have found themselves outside Russia, nobody mentions human rights.

It appears that the entire vocabulary, all the words that the "champions of human rights" and others used, have acquired the exactly opposite meaning. They have become antonyms. Perestroyka means a shoot-out, democracy means total license for the mafia and for functionaries. Civilization has been pushed back by decades. Regeneration has become total degeneration. Everything the present rulers touch turns into dust.

The essence of their agenda is simple: Turn people into drunkards, rob them, make them lose their professional skills. An exodus of population from inhabited territories is under way. The pioneers spent three centuries opening up the Far East, but some 400,000 people abandoned everything and departed from there in the last three years. Talented scientists are being driven out — 40,000 have left their country which has no use for their discoveries and ideas. The thin stratum of professional managers is becoming even thinner. Young people have been altogether abandoned to the whim of fate. It is impossible to study, it is terrifying to think of starting a family, there is no room for children in kindergartens. All sports facilities, tourist camps, and tourism facilities have been taken away. In exchange, we are witnessing plundering on an unprecedented scale. We must expose the essence of this hidden agenda because, unless we manage to come to our senses and regain our national self-awareness, the country's transformation into a colony will be inevitable.

Tenth Lesson

The lesson or mass organization. It has been firmly driven into citizens' heads that they will be saved if everything that can be privatized is privatized and they become proprietors. They heeded this and became the proprietors of their own unemployment and helplessness. Working people can defend themselves only through their solidarity, their organization, their party. We have done everything to revive the party of working people. The CPSU was in fact two parties. One was the party of Beriya and Yezhov, of Vlasov and Gorbachev, of Yakovlev and Yeltsin. But the Soviet Union also had the party of genuine patriots, the party of Stakhanov, Korolev, Gagarin, Sukhomlinskiy, Dzhalil, Zhukov, and Kurchatov. This party is still alive and functioning today. But I would like to say that the party will have a future only if it is a party of working people based on

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supreme intellect. This is why our emblem incorporates a sickle, a hammer, and a book.

Eleventh Lesson

The lesson of war. The provocateurs continue their dirty work and they are now set on unleashing a mass slaughter across the Russian Federation's vast spaces. Our country has fought five wars this century. The Japanese War, the First Imperialist War [World War I], the Civil War, the Great Patriotic War, and the Cold War. What was essentially a "cold" war has evolved into a "hot" war and is taking hundreds of thousands of lives. We must be perfectly well aware that the country is chock-full with the most complex of production units. They are getting old and worn-out. Many nuclear charges are no longer subject to the requisite technological monitoring. Communications and railways are wearing out. This is why now it is important to ensure a peaceful transition toward correcting the socioeconomic policy in the interests of the people and the state.

But it must be borne in mind that it is impossible to create a stable and developed state without a strong modern army, the appropriate security organs, and a law enforcement system. Today the Army is being mocked as never before. It has been made to wear the Wehrmacht peak cap on its head and the traitor Vlasov's tricolor patch on its sleeve. At the same time, however, they are still afraid to take away the banners of our fathers which are inscribed with "For Our Soviet Motherland!" I am convinced that the Army will not give up these banners!

Twelfth Lesson

The lesson of geopolitics. There have been numerous marches across Russia's vast spaces over the last 1,000 years. Whether from the West or from the East, historians have counted eight of them. We repulsed them all. Khazars and Polovtsians, Teutonic Knights and Swedes, Germans and French, Mongolians and Ottoman Turks. Not only did we repulse them, we also ensured our state's development and prosperity. The claims that they came to fight against our ideology are untrue. All these marches were for the sake of swallowing our riches, for the sake of extirpating our faith. Russia, the Russian Empire, and the Soviet Union have always been the backbone of the Eurasian space. And a planetary catastrophe will ensue if this vast space is broken up. This is why any further destruction of our country would be disadvantageous to our neighbors and to the world community as a whole. We advocate that our state has a clear and precise **concept** of development spanning at least the next 100 years, in other words ensuring the life of several generations, and that it has a clear and precise **doctrine** of development spanning 25 years. It would be impossible to resolve either civilian or defense issue without it. We advocate that the country has a precise and clear **program** of development spanning five years and a specific **plan** for the current year. All we have at present is just the president's eclectic "message," none of whose provisions is being implemented.

We advocate that our country avoids the three possible major geopolitical mistakes which are being forced upon it. They want to create a quarrel with Ukraine by pressing on the sore "spot" — Crimea. A quarrel with Ukraine will produce grave shocks primarily for our Slav peoples. They are trying to involve Russia in a war against the Islamic world by encouraging the bloody conflict which they themselves started. They are trying to sour Russia's relations with China, the vast country in the Orient. We must be perfectly well aware that if our foes succeed in achieving this the Russian Federation will flounder in its own regional problems and will lose all its future prospects. This is why we say bluntly that we perceive the main task across our vast space as being to revive a unified union state. Stage by stage, peacefully, on a voluntary basis. The peoples are already ready for this. We advocate development and good neighborly relations both with the West and the East.

In conclusion I would like to repeat yet again: We are for peace, against civil war, for honest labor, against the mafia, against those who prevent full employment. We bluntly say that our main slogans are justice, national awareness, patriotism, social creativity, and security. This is genuine socialism.

Military Issues

Troops Prepare for Peacekeeping Role in Bosnia

LD2911103095 Moscow Mayak Radio Network in Russian 0800 GMT 29 Nov 95

[FBIS Translated Text] Russian peacekeeping forces have started preparing for exercises before being sent to Bosnia as part of the multinational NATO forces.

An ITAR-TASS correspondent was told at the Russian Defense Ministry that the exercises begin on 11 December and will last five days.

A special purpose brigade commanded by Colonel (Aleksandr Lentsov) will take part in them. Together with a group of officers of the combined force's staff, he has flown to Germany to work out the plans of interaction with the U.S. First Armored Tank Division.

The brigade is currently is at a garrison near Moscow, working to a special program compiled on the basis of

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the experience of conduct of peacekeeping operations in the Dniester region, South Ossetia, and Abkhazia.

The combat training of this strengthened brigade with a total strength of 1,500 servicemen is taking place in conditions of heightened alert prior to being sent to Bosnia. There, the battalion of this combined force will occupy key positions in the area of the Posavina Corridor separating the conflicting sides.

'Women of Russia' Leader Discusses Army Issues

MM2811161295 Moscow KRASNAYA ZVEZDA in Russian 25 Nov 95 p 2

[Interview with Yekaterina Lakhova, leader of the "Women of Russia" faction in the State Duma, by Petr Karapetyan under the "Politics and the Army" rubric; place and date not given: "Yekaterina Lakhova: 'A Great Deal Became Clear to Us After the Meeting With the Defense Minister" — first two paragraphs are KRASNAYA ZVEZDA introduction]

[FBIS Translated Text] During election campaigns events sometimes develop so swiftly that they leave an impression of being paradoxical. Literally a few days ago the "Women of Russia" deputies' faction was one of the organizers of a fierce attack on Defense Minister Army General Pavel Grachev and even issued a tough appeal to the president in this regard. But the next day it was learned that the defense minister had received "Women of Russia" representatives at the request of faction leader Yekaterina Lakhova. According to press reports, there was a businesslike discussion and paths of constructive collaboration between the faction's deputies and the Defense Ministry were outlined.

All this prompted questions from our readers. The phone call from war veteran V. Serikov in Moscow was typical in this respect: "Please explain just who this Mrs. Lakhova is," he asks. "What is really the true position of 'Women of Russia' regarding the Armed Forces and their leadership?" Our correspondent Petr Karapetyan met with Yekaterina Lakhova and asked her a number of questions.

[Karapetyan] "Women of Russia," your faction, constantly votes in the State Duma in a way that annoys the Defense Ministry, to put it mildly. You supported the amendments to the law on the military service obligation and advocated the dismissal of Army General Pavel Grachev. But at the same time you had a working meeting with him....

[Lakhova] We are in favor of constructive cooperation with the Defense Ministry leadership, and in this respect the meeting with Army General Pavel Grachev was very productive for us and clarified many things. I told him what laws we are working on, and he outlined the range of army problems. Incidentally, he noted that our faction is consistent in its actions. And I can note with satisfaction that on many army problems Pavel Sergeyevich and we have similar views. And now I can see that the tricky relations that we in "Women of Russia" have had with the Defense Ministry stem, so to speak, from mutual misunderstanding. When we began to talk with Pavel Sergeyevich, it transpired that I did not know many of his positions and he did not know ours. I think he lacks full information about what is going on in the Duma. Both he and we sincerely care about the Army. But each has their own approaches. For instance, Pavel Sergeyevich shared my conviction that the power departments must somehow coordinate their actions. But the situation is that each ministry, so to speak, is trying to grab more than its share. Is it appropriate for the budget of the power ministries to be determined by the Ministry of Economics and Ministry of Finance? Do they have the greatest experts on army problems? Is it appropriate that the budget of the power ministries is not even examined in the Security Council? I am convinced this stems from a lack of coordination in the activity of the power ministries.

We agreed with Pavel Sergeyevich that the faction's businesslike contacts with the Defense Ministry leadership will become closer and the generals will not ignore our proposals for joint work. We agreed on cooperation on many points.

[Karapetyan] If I have understood you correctly, the meeting with the defense minister significantly changed your views.

[Lakhova] Yes. It is not only possible but necessary to cooperate with the Defense Ministry and the minister.

Incidentally, my son served two years in the internal troops, and I was naturally very concerned for him. You could say I served those two years with him. The defense of the motherland and service in the Army is certainly the sacred duty of every man. That is indisputable, but in the spring we invited 18 Muscovite draftees to visit the faction. They were all either the sons of workers and peasants or the children of military men continuing the family tradition. We had a good discussion about many things with the guys. They told me that anyone who can buy a deferment from the draft commission does so. Do you know how much a "deferment" costs in the capital? Six hundred dollars! It is clear who can afford this "deferment."

[Karapetyan] Yekaterina Filippovna, just take a look at how many legitimate draft deferments we have. A quite ridiculous number. This is really fertile ground for various abuses....

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[Lakhova] I agree with you. We should thoroughly investigate the existing deferments and reduce their number. Or take the following point. The old harmonious and, as we are now beginning to realize, effective system of predraft training has been destroyed, but nothing has taken its place. The physical training of draftees is beneath criticism. Where can it be pursued? You have to pay for everything nowadays, whether it is an unarmed combat or oriental martial arts class. A tremendous minus point is that we have removed the "Zarnitsa" military game and "Ready for Labor and Defense" classes from schools. We must tackle problems of predraft training in real earnest. But this is only part of our military program. The faction's position is this: Russia must have a strong, modern Army, and we in the Duma will do everything we can to ensure that this is the case. [Lakhova ends]

So, as we can see, Yekaterina Lakhova reaffirms the constructiveness of her faction's intentions. How is all this going to be put into practice? This will be shown by the real actions and, of course, by the result of the deputies' voting on the most important questions for the Armed Forces, and probably primarily on the problem of the defense budget.

Regional Affairs

Chechen Commanders Warn of Resumption of Hostilities

LD2811133395 Moscow INTERFAX in English 1147 GMT 28 Nov 95

[FBIS Transcribed Text] GROZNYY, Nov 28 (INTERFAX) — Chechen military commanders do not rule out the resumption of large scale fighting following plans to hold general elections in Chechnya on December 17, the rebel headquarters' press center told INTERFAX Tuesday, referring to daily reports about the situation in the republic.

They say renewed fighting is one of two possible scenarios of events linked with the coming poll. The other is that no one but the relatives of Prime Minister Doku Zavgayev will turn up at elections on December 17.

Come what may, final results will not be legally binding for the Chechens, the commanders told INTERFAX, describing attempts to hold the vote as "a cynical adventure condoned by the world community."

Duma Official: Around 30,000 Killed in Chechnya

LD2811172795 Moscow Radio Rossii Network in Russian 1200 GMT 28 Nov 95

[FBIS Translated Text] Around 3,000 Russian servicemen have refused to take part in military action in Chechnya. According to data from Sergey Yushenkov, chairman of the Duma Defense Committee, more than 500 soldiers have been subjected to criminal prosecution. At a news conference marking the anniversary of the start of the operation in Chechnya, the deputy stated that around 30,000 servicemen and civilians have died during military operations. Hundreds of thousands have been rendered homeless.

In Sergey Yushenkov's opinion, the Chechen campaign has substantially impeded the progress of reforms in Russia, and Russia's integration in the world community.

Dudayev Invited to Take Part in Chechen Elections

LD2811210995 Moscow INTERFAX in English 1915 GMT 28 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 28 (INTERFAX) — The Chechen Electoral Commission invited separatist leader Dzhokhar Dudayev to take part in the upcoming elections of the head of the republic as a candidate, commission head Abdul-Kerim Arsakhanov told INTERFAX Tuesday.

He stressed that both Dudayev and his followers have the right to run for the post. Arsakhanov believes that if the Chechens elect a leader, it will help restore order in the republic.

He said that three candidates have already been registered for the elections scheduled for December 17 and two more have asked the commission for consultations on the drawing of documents.

Arsakhanov said that December 2 will be the last day to submit lists with signatures in support of candidates for the post of the head of the republic.

Rallies Held To Protest Elections

LD2811195495 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 28 Nov 95

[FBIS Translated Text] Large-scale military operations may resume in Chechnya even on 17 December. This is not ruled out by the main staff of Dudayev's armed formations. They are forecasting that events will develop in this manner owing to the plans to hold elections in the republic.

In the view of a member of the Russian governmental delegation, Vladimir Zorin, the conflicting sides would be better to restrain themselves from such dramatic statements, and all the more so from possible actions.

[Begin Zorin recording] Today, as never before, we need to exercise restraint, to be calm. May be there will be a new dialogue, perhaps a continuation of the old one,

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in order to seek a way of avoiding confrontation at this time and finding a peaceful solution. [end recording]

Chechnya's Central Electoral Commission took a very unprecedented decision today. The Central Electoral Commission invited Dzhokhar Dudayev to take part in the forthcoming elections. Nothing is known yet about the reaction of the Dudayev side to today's decision. However, earlier the supporters of the Chechen leader spoke out categorically against the elections.

In many populated locations in Chechnya, and not only in the south, but in the north of the republic, too, rallies were held today whose participants demonstrated against the elections scheduled for 17 December. There are no reports of incidents of any kind.

Sergey Yushenkov, chairman of the Duma defense committee, regards the prospects of the December elections with alarm. At the same time, he understands the striving of the authorities to establish legitimate power in Chechnya.

[Begin Yushenkov recording] A situation exists when under conditions in which shots are heard, when so many units and formations are present in a state of combat readiness in the republic, when war is being waged in actual fact, elections are not usually held. True, the situation in Chechnya may be some kind of special case, but it seems to me that it would be a mistake to hold elections unless some kind of truce is established and without the agreement of that party against which that war was unleashed, I mean the Dudayev side. [end recording]

Zavgayev Gets 15,000 Signatures for Chechen Election

LD2911114595 Moscow ITAR-TASS World Service in Russian 1039 GMT 29 Nov 95

[By ITAR-TASS correspondents Aleksandr Kharchenko and Sharip Asuyev]

[FBIS Translated Text] Groznyy, 29 Nov — The initiative group fielding Doku Zavgayev as candidate in the election for head of the Chechen Republic, to be held on 17 December, has presented to the republic's Central Electoral Commission 15,000 signatures instead of the necessary 5,000, and as a result Doku Zavgayev was officially registered as a candidate on Tuesday.

The initiative groups in support of Ruslan Khasbulatov, Movsar Aduyev, and Lecha Saligov have not yet presented the necessary number of signatures. The ITAR-TASS correspondents were told this today by Central Electoral Commission Secretary Tatyana Pashko. She said the final deadline for presentation of lists of signatures is 1800 on 2 December.

Tatyana Pashko also said there will not be 420 polling stations on the territory of Chechnya as planned previously, but somewhat fewer. This was due both to the lack of premises and to the fact that some population centers have been destroyed or abandoned by people with the onset of the cold weather.

Aims at 'Peaceful Life' With Russia

LD2911111895 Moscow ITAR-TASS World Service in Russian 1014 GMT 29 Nov 95

[By VAYNAKHPRESS correspondent Alvi Karimov for TASS]

[FBIS Translated Text] Moscow, 29 Nov — The main aim I will strive for is to stabilize the military-political situation in Chechnya and bring the republic back to peaceful life. This was stated today in an interview to VAYNAKHPRESS by Doku Zavgayev, registered on Tuesday [28 November] as candidate in the election for head of the Chechen Republic to be held on 17 December.

Doku Zavgayev said his platform envisages the revival of industry and the social sphere, the creation of conditions for the unification of the nation, and the restoration of the Chechen people's good name, which the Chechens have ever enjoyed in the eyes of the peoples of Russia.

"Russia and Chechnya should live in peace and concord," Doku Zavgayev stressed.

Chechnya Viewed as National Election Factor

MM2811140195 Moscow ROSSIYSKAYA GAZETA in Russian 28 Nov 95 pp 1,7

[Article by Anatoliy Yurkov: "Subjective Notes: Chance for Dudayev?"]

[FBIS Translated Text] Big-time politicians in big-league politics never speculate on deadlock.

Boris Yeltsin is undoubtedly a figure of the first magnitude in the political arena.

A new "red-letter" day — Russian presidential election day — has just been marked on the political calendar. Admittedly, political analysts in the opposition immediately began expressing doubts whether the election would go ahead or not. But these doubts are not catching on: Evidently the people behind them realize that they are over-egging the pudding.

Yeltsin has already demonstrated that he is indeed a serious guarantor of the Constitution: Attempts from all quarters to "postpone" the Duma elections have been unsuccessful.

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Does Yeltsin want victory in the 1996 elections? Beyond any shadow of a doubt. If not for himself, then for his policy, for his successor from among his supporters.

Does he know that another good dozen prominent politicians will enter the presidential race as soon as the new Duma finishes sharing out its posts? Is he afraid of strong rivals?

Questions like doubts may mushroom ad infinitum, and with every new question the main issue may be fragmented and trivialized. Although the current situation in the country — both political and economic — is ambiguous and heterogeneous, increasing certainty can clearly be seen in the actions taken by the president or, it is evidently better to say, the presidential team. The latter is creating and mobilizing resources in order to win the presidential race. There is every indication that it is not the potential of their likely adversaries that is paramount but the potential for stability in the country. If that is true, it is a good sign. Ambitious settos in the form of loud, semi-hysterical statements by figures like Poltoranin and Burbulis, who were close to the president at one time, seem to have given way to in-depth analysis of the processes taking place in the state, society, the economy, and politics, which does of course require different instruments and talents.

And also, possibly, the qualitatively new course that people have begun to mention of late. Vladimir Shumeyko as the president's political experimenter has already designated a party to support him with the appropriate name.

But is Vladimir Shumeyko not overdue this time in pretending that he is setting a course for the ship of state?

A shift toward a new course is already taking place, if it has not already done so; moreover, this is happening rapidly and unexpectedly even for political analysts who, as you know, know everything in advance, and has caused some confusion in their ranks.

A vivid example of this is the controversy over the Chechnya elections, which even cautious, wily Arkadiy Volskiy describes as folly. Incidentally, this seems to be electoral rhetoric from Arkadiy Ivanovich, which he wants to use to hide his own confusion in the face of such an unusual move by the presidential team, the future consequences of which — long- and short-term — he is bound to see.

If you like, the elections in Chechnya are equally essential for both the republic, Dudayev, and Yeltsin. They alone can provide a virtually 100-percent chance of success for the peaceful settlement of a conflict that is wearing out both sides. What is the point of this political move?

Everyone now realizes that things will not progress without Dudayev's personal participation in direct talks with Yeltsin or Chernomyrdin. But neither the president nor the prime minister can have official relations with someone against whom the Russian Federation General Prosecutor's Office has instituted criminal proceedings and who has effectively been outlawed. If Dudayev, whose presidential term has already expired, becomes president of Chechnya as a result of elections declared in accordance with the Russian Federation Constitution, all the obstacles to these meetings will be removed.

I think that Yeltsin and Chernomyrdin already have a plan regarding the basis on which to reach agreement with him.

Needless to say, the rebel general may be "reluctant" and try to up the ante: At any rate neither he nor anyone else has yet put himself forward as a presidential candidate. But I think that Dudayev knows the limits of his own ambition: By law servicemen stationed on Chechen territory may take part in the elections. There are several tens of thousands of them. They may note vote for Dudayev. And by no means all the population of Chechnya will give their sympathies to the underground general. The Kremlin would complete the peace process without particular difficulty with Doku Zavgayev were he to become president of the republic. There would still be the problem of guerrillas loyal to Dudayev, but it would most likely not be on the scale that the rebel side would like to depict.

Neither side has any time left for any other serious options. If Dudayev misses the chance of becoming Chechnya's constitutionally elected president for another term, he will not only lose the support of world public opinion but will also acquire powerful opposition in the form of the legally elected authorities. And then it will be possible to say without any latitude that the conflict is strictly intra-Chechen.

Strangely enough, Yeltsin's team is also working hard on its options. They cannot go into the presidential election with the Chechnya conflict continuing. This is becoming not just a political problem but a serious economic one. Incidentally, ahead of the division of the Caspian oil spoils the Turks promptly cleared the corridor for the future oil and gas pipelines. The international oil consortium appreciated that and gave precedence to the Turkey option as the most stable, unlike the North Caucasus region. Chechnya is losing $1 billion per year as a result. And Russia is losing even more. No candidate has the right to enter the electoral race with that kind of "bombshell" in his pocket if he

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is counting on becoming president of Russia. And if you add to that the multibillion burden (over and above that) of budgetary funding required for the restoration of the Chechen economy, any step forward will require Herculean efforts.

Chernomyrdin has announced that the coming economic stabilization has already borne fruit: There are funds for the support of the press, duped investors, pensioners, budget-funded personnel, the military.... Thank God! Thus the presidential team is already laying a foundation for its "Stability" election campaign. Dudayev and the Chechen problem do not fit in with that.

Incidentally, in response to my blunt question as to who would be elected Chechen president if the elections did go ahead, some Chechen diaspora leaders who had gotten together at the ROSSIYSKAYA GAZETA editorial office replied in unison, albeit without enthusiasm:

"Dudayev."

Chechnya Seen as 'Black Hole' in Russian Economy

MK2911122095 Moscow MOSKOVSKIYE NOVOSTI in Russian
No. 78, 12-19 Nov 95 (Signed to press 14 Nov 95) p 4

[Report by Yelena Kolokoltseva: "Chechnya: A Financial Iceberg"]

[FBIS Translated Text] December 9th will mark one year since the Russian president issued his edict "On Measures To Stop the Activity of Illegal Armed Formations on the Territory of the Chechen Republic and in the Area of the Ossetian-Ingush Conflict," which turned a drawn-out standoff between the rebellious Dudayev regime and the Kremlin into a direct military confrontation. On the same day the government decree "On Urgent Measures To Restore the Economy and Social Sector of the Chechen Republic" was passed. The small, victorious war that was planned by the Russian power chiefs and that has claimed the lives of tens of thousands of people is still going on. Meanwhile, the Chechen national economy has turned into an outright "black hole" in the Russian economy.

Official statistics on the restoration effort in Chechnya are extremely skimpy. As for the cost of the combat operations themselves, nothing is known about it, so the corresponding figures are absent from this material.

Biased Figures

First Deputy Prime Minister Oleg Soskovets, who was placed at the head of the government's staff for the settlement of the military conflict, was the first to give approximate estimates of the restoration work last December. Publicly, Mr. Soskovets cited the figure of 1 trillion rubles [R], but then, when the tape recorders and cameras were switched off, he reluctantly admitted that the cost could range from R2 to 3 trillion. It would seem that the first deputy premier's foresight could be applauded: According to the Finance Ministry, R2.4 trillion have been sent to Chechnya as of 1 November of this year.

Quite recently, however, the government had to submit to the State Duma a bill on amending the Law on the Federal Budget for 1995. It calls for R6.2 trillion rubles to be given to Chechnya this year "to pay compensation to persons who suffered as a result of the crisis settlement" and "to finance measures to restore the operation of the economy and the social sector, to accommodate and cater to employees of law-enforcement agencies and the border service, and also to provide extra financial assistance to the Chechen budget" (at the same time the costs of restoring the economy and maintaining the Russian power structures were not separated). The Cabinet of Ministers proposed that compensation payments to the tune of R0.55 trillion be categorized as "social expenditures." A major part of the costs (R5.65 trillion) is proposed to be included in the most mysterious item of the Russian budget — "other expenses." What else can be invented to legalize such large-scale costs not provided for in any budget?

MOSKOVSKIYE NOVOSTI File

By independent experts' estimates, the cost of Chechnya in 1995 has already exceeded R15 trillion.

According to the investment program drawn up by the federal government, it is planned to earmark from R15 to 16 trillion rubles for the restoration of Chechnya. In the meantime, Security Council head Oleg Lobov urges that at least R20-30 trillion rubles be appropriated in 1996.

Without going into an argument about the advisability of subsidizing a republic whose status has yet to be defined, one should point out the existing serious doubts as to the fact that the money will be used efficiently.

Official statistics cited by the Finance Ministry are just the tip of the Chechen financial iceberg. Neither the Finance Ministry nor the Economy Ministry, which appear to be ex officio obliged to supervise the way money is being spent on Chechnya, do not have such capabilities. To all appearances, a similar situation is coming about in the Construction Ministry, which is due to supervise the signing of contracts for the restoration of various economic facilities. As of today, there is no general customer who would represent and guarantee the interests of firms engaged in projects relating to the restoration effort in Chechnya. Keeping track of

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what contracts, with whom, on what terms, and for what sums have been concluded seems to be impossible: Presently at least eight different ministries and agencies are engaged in the restoration effort.

Oleg Soskovets: 'There Is Actually Not Much To Audit There Anyway'

However, presently the general customer is effectively represented by a narrow group of persons who have concentrated in their hands information on what is going on in Chechnya and also virtually all levers of economic power in the republic. These are, first of all, Oleg Soskovets, chairman of the commission for the restoration of Chechnya, and his deputy, Petr Surov. (Presidential representative Oleg Lobov's ability to control spending in Chechnya is estimated to be somewhat more limited.)

It was on the initiative of Oleg Soskovets that the institution of authorized banks in Chechnya was set up; moreover, there is no information on the criteria by which they were selected. They include major banks, such as Menatep, Kredo-Bank, and others, that have long been linked to the Chechen economy, and also little-known, smaller banks. At their best time (until the August banking crisis), there were as many as 20 such authorized banks, then their number diminished, but the places of the dropouts have been taken by new hopefuls. One the latest contracts worth R5 billion has been concluded between the Moscow Export-Import Bank and the Ministry of Emergency Situations. The bank's leadership admits that "this loan is neither the first nor last."

The reason banks have been displaying such interest is understandable. Since there is a shortage of money in the treasury, Mr. Soskovets offered the authorized banks, as far as is known, a fairly lucrative deal under which they are due to give the Russian Government loans for a period of one month at what they consider a very advantageous annual interest rate of 130 percent.

It is easy to guess what happens after the one-month period is over. The treasury is still empty, and the government has either to reschedule the loan or to take a new one at another bank, or to repay its debt to the bankers using other mechanisms, such as the flotation of loans on the Chechen market against government guarantees; exclusive rights of access to Chechen oil; government assistance to lender banks in carrying out projects in other areas. From time to time banks that float loans against government guarantees become embroiled in scandals, which are sometimes manifestly criminal in nature.

MOSKOVSKIYE NOVOSTI File

In summer 1995, two banks that received a loan worth R500 billion against government guarantees simply "disappeared." There has been no information, however, on whether an investigation has been started or criminal action brought in these cases.

Officials from the top echelons of power do not like to wash dirty linen in public. Representatives of the Economy Ministry and the Finance Ministry, who have expressed doubts as to the advisability of spending money in such a way, have encountered the first deputy prime minister's explicit unwillingness to discuss this matter. "There is actually not much to audit anyway," Mr. Soskovets said at a commission meeting.

Despite numerous large-scale projects relating to the restoration of Chechnya, most of them are still at an embryonic stage. Moreover, observers note that the construction work that was started in June-July 1995 in Groznyy has been frozen. A different theory is also worth noting, however. Are the top echelon officials interested in restoring the economy as soon as possible or, on the contrary, is it in their interests to drag their feet on the resuscitation of the Chechen economy, that is, to retain the uncertain status quo? Given the sums that have already been released for the purpose of "restoration," the factor of corruption among the bureaucratic apparatus, and a lack of real control, this theory at least should not be discarded altogether.

Groznyy's Menacing Oil

Russian entrepreneurs' interest in the Chechen economy should hardly be confined to short-term financial operations and the accompanying strengthening of the political positions of one commercial firm or another. There is a more important factor at play, oil.

Just recently the parliamentary commission investigating the reasons for and circumstances of the emergence of a crisis situation in the Chechen Republic have published the first data on the damage done to the Russian budget by Chechnya's "nationalization" of oil arriving at its refineries from other Russian regions and also by the illegal use of Russian export pipelines by the Chechen side.

MOSKOVSKIYE NOVOSTI File

According to the commission, in 1991, a total of 15 million tonnes of oil (including 3.9 million produced in Groznyy) arrived at Groznyy refineries; in 1992, 9.7 million and 3.2 million; in 1993, 3.5 million and 2.4 million; in 1994, 2.98 million and 1.2 million tonnes respectively.

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The Fuel and Energy Ministry has admitted that oil deliveries from Stavropol to Groznyy stopped only in August 1993 — and from Dagestan, in November 1994, with just a month to go before the start of combat operations. It follows from the information received from the government staff that in 1993 alone Chechnya's overall proceeds from the illegal export of oil and oil products reached $800-900 million. The question of what the share was of their Russian partners in the joint business, who made sure that the raw materials were transported across Russia without hindrance, sounds too menacing [a pun on the translation of the Russian word "Groznyy," the name of the Chechen capital, which means "menacing" or "terrible"] for somebody to be willing to answer it, even on condition of strict confidentiality.

... Although both sides avoided delivering direct strikes at oil production sites and oil pipelines during the war, it is evident that talk about the full restoration of Chechnya's oil industry before the combat operations are completely halted would make no sense at all. A guerrilla operation could at any moment thwart oil transportation not only across Chechen territory (an act of sabotage temporarily left Georgia without Russian oil the other day), but also regions that remain within the Dudayev fighters' reach.

What is even worse, however, is that both the mechanism of decisionmaking on Chechnya and the precipitous growth in spending on it remain impervious to elementary control. In the meantime, by preliminary estimates, Chechnya will cost Russia $6-8 billion in 1995-1996, without counting the cost of combat operations.

Economic Issues

Chubays Confident Economy Will 'Pick Up' in 1996

MM2911102195 Moscow FINANSOVYYE IZVESTIYA in Russian 28 Nov 19 95 p I

[Article by Yevgeniya Pismennaya: "Government Hopes for Economic Upturn Next Year" — received via Internet]

[FBIS Translated Text] "If the economic policy being pursued by the government continues, inflation and rates on the interbank credits market will decrease next year; the inflationary tax on enterprises will disappear altogether and they will gain access to the credit market; and the gulf between the living standards of rich and poor will be reduced yet more," Anatoliy Chubays, first deputy chairman of the Russian Federation Government, promised at a meeting with RIA-NOVOSTI journalists. After all of this the government expects an increase in production oriented toward domestic demand.

But now the government is working on a mechanism to support exporters, as these sectors have suffered badly from the low exchange rate. It is the machine-building enterprises such as AvtoVAZ and the Vladimir Tractor Plant which have the greatest problems.

Anatoliy Chubays emphasized that it is actually the low exchange rate and not the currency band introduced by the government that is inflicting damage on exporters. On the contrary, the currency band has only helped to eradicate inflationary expectations and increase the real exchange rate of the ruble (according to the vice premier's figures the ruble's exchange rate increased by 70 percent over the first 10 months of the year). The government has set itself the task of balancing the interests of macroeconomic stabilization, lowered inflation, and the exporters' interests.

The authorities are sure that the state is obligated to maintain firm control over natural monopolies' prices. Work on creating a legislative base for firm state regulation of prices in sectors where there is an absence of competition has been in progress for more than a year. In Anatoliy Chubays' opinion, the opportunity to "take this measure was predetermined by the decreased level of inflation in the country."

The Economics Ministry is finalizing a decree which will introduce a mechanism for regulating the correlation of natural monopolies' prices and the level of inflation during the first quarter of 1996. This means that the dynamic of price increases in January will be greater than in December. In the vice premier's opinion "there will be no catastrophic upheaval" and this will change the general level of inflation by less than 1 percent.

The government is paying increased attention to the program for compensating depositors who have lost out. It is being proposed to companies that are accumulating money from the population to transform themselves into share investment funds, over which the state will exercise strict control. The major achievement is that companies which have decided to work in accordance with the proposed government plan have agreed to open up their real assets, irrespective of whether they are on the balance sheet or not. As a result the volume of assets offered to those who have lost out has increased a hundredfold. Those who refuse to cooperate with the government in this area are threatened with liquidation, and their property will automatically be transferred to the public-state fund for the protection of depositors. The most unfortunate depositors — those whose companies have refused to transform themselves into share investment funds — will have their losses recompensed from the fund's capital, money from privatization, and several other sources.

A. Chubays gives his assurance that the government has fully discharged all its obligations to pensioners. It has

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become possible to repay the debt thanks to the profit made by the sale of state shares.

In the government's estimation, next year will be a year in which the economy will begin to pick up. An influx of Russian and foreign investment is forecast. Meanwhile, one main task will be to strengthen and increase the state's involvement in the economy. Anatoliy Chubays considers that the timely payment of all taxes in full — which will to a large extent resolve the problem of budget income — is essential to this.

Stabilization Prospects Viewed

MM2811164095 Moscow FINANSOVYYE IZVESTIYA in Russian 23 Nov 95 p 5

[Article by economists Sergey Sinelnikov and Georgiy Trofimov: "There Is No Alternative to the Stabilization Program in 1996" — received via Internet]

[FBIS Translated Text] Developments show that the policy pursued by the Central Bank in the first six months of 1995 is by and large proving its worth. The implementation of strict limitations on the growth of net internal assets prevented an upsurge in inflation in the fall. This could have happened as a result of the growth of currency reserves in the spring and the increase of almost 40 percent in the ruble money supply in April-June. The point is not only that the structure of the Central Bank's assets took a favorable turn in the spring and summer. A major factor is the increased confidence of the population and of enterprises in current policy, and the marked reduction in inflation expectations. It is this factor, and not "securing" money in circulation against currency reserves, that plays the key role in suppressing price rises in the fall. While people remain confident that the current policy will be continued, the inflationary impact of accumulated currency reserves should be insignificant.

The experience of financial stabilization in 1995 showed how difficult it is to control the money supply in conditions of a highly dollar-dependent economy with a high degree of capital mobility. The Central Bank managed to restrain the growth of the money supply in the summer only by allowing a still larger increase in the real ruble exchange rate.

The considerable inertia of inflation had a major influence on the financial stabilization process in January-September. This inertia can be explained by two factors: the inflation expectations which persisted until the end of the summer, and the insufficient flexibility of prices. According to our estimates, a change in the inflation rate of 1 percentage point in the current month dictates, all other things being equal, an average change in this rate of 0.65 percent in the following month.

The forecast discussed below links the monthly inflation figure to inflation in the previous month and the growth in the M2 money supply in the previous sixth months. Graph 1 [not received] represents the retrospective long-term inflation prognosis based on this model. No use is made here of the actual dynamics of prices; the inflation rate for the period July 1992 through the end of 1996 is calculated solely on the basis of information on the dynamics of the money supply. As we can see, the model nicely captures the inflation trend. The deviations of the predicted figures from the actual ones are explained by changes in the behavior of economic agents which are not taken into account.

Graph 2 [not received] shows the short-term (monthly) forecast on based on the same model. Here the inflation in each month is calculated retrospectively on the basis of the actual data on the growth of prices in the previous month, which makes it possible to reflect short-term and political changes. We based our forecast of prices at the end of 1995 and in 1996 on the hypothesis of a growth in the real demand for money in this period of 19-21 percent.

The forecast calculations show that the parameters laid down in the draft federal budget and the draft monetary program for 1996 permit us to expect a monthly growth in prices next year of 1.7 percent, or 23 percent for the year as a whole. This scenario means that the process of financial stabilization would be completed by the end of 1996. However, this is possible only on the condition of favorable developments in the political arena, namely: 1) the ratification by the State Duma of the 1996 budget in a form close to that presented by the government, and 2) the continuation of the current economic policy after the presidential elections in June 1996.

Using this model, we have analyzed two possible scenarios. The adoption of a 1996 budget less tough than the one presented by the government, coupled with the retention of the current economic course after the presidential elections; and the adoption of a less tough budget for 1996 coupled with a radical alteration in economic policy as a result of the presidential elections.

In the first of these pessimistic scenarios the budget deficit is 5.9 percent of GDP, as opposed to the 3.9 percent proposed in the current draft. This scenario predicates a major adjustment to macroeconomic policy in 1996. The point is that additional internal loans at the level of 2 percent of GDP (42 trillion rubles [R]) cannot be ensured on the existing state securities market. Hence either a freezing of expenditure, or an additional monetary emission by the Central Bank of the Russian Federation — for instance, in the form of its purchasing state bonds — would become necessary.

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Following on from their experience of the adoption and implementation of the tough 1995 budget, State Duma deputies will do everything possible to avoid the freezing of expenditure. As a result, a growth in the money supply in 1996 not of 20-25 percent, as proposed by the draft monetary program, but of 60-65 percent — that is, more than 4 percent per month — would become inevitable. In that case, inflation calculated according to our model will be at the level of 4.5 percent per month next year.

The scenario described above means a highly probably subsequent transition to a regime of permanent inflation with systematic indexation of income and an annual rate of 80-100 percent.

Let us now examine the other pessimistic scenario of the defeat of democratic forces at the presidential elections. In order to analyze the possible consequences of a change of economic policy after the elections, let us assume that only some of the promises typical of the election rhetoric of the communist and national patriotic leaders would be implemented.

We have assumed that the possible priority measures which would be implemented by the communists and national patriots would include fixing the prices of basic food products (freezing the prices of approximately one-third of goods in retail trade turnover would require subsidies of around R25 trillion) and fixing the prices of the base sectors' output (the level of budget subsidies would amount to around R22 trillion every six months). Also probable is the introduction of multiple ruble exchange rates, which would also be fixed (subsidizing the exchange rate for exporters would cost around R20 trillion, while subsidizing imported food and equipment would cost R15 trillion). In addition, we should assume a growth in defense expenditure of at least 1.5 percent of GDP (per annum) and a growth in expenditure on the national economy (mainly on investments, subsidies for loss-making enterprises, and agriculture) of 2 percent of GDP. The escalation of expenditure decisions could not, of course, be restricted to federal level; hence we should also assume increased expenditure on aid to the regional budgets of 1 percent of GDP. As a result we get a federal budget deficit in 1996 of around 11-12 percent of GDP.

Such a policy effectively rules out external and internal borrowing as a source to fund the deficit. Hence, the monetized part of the deficit in the second half of 1996 would reach 10-11 percent of annual GDP (GDP being estimated at R2,600 trillion), or around R275 trillion. As a consequence, the money supply would increase over the year as whole, given an unchanged multiplier, by 165 percent (average monthly rate — 8.5 percent).

Given such parameters for monetary policy, inflation would total around 80 percent in the second half of the year, ranging from 6.4 percent in July to 13.8 percent in December. Inflation for the year as a whole would reach around 130 percent. Here we assume a fairly sharp reduction in the demand for money (by 30 percent), beginning in May, increasing in the summer-fall period, and slowing down by winter 1996.

Let us note that, given the prerequisite — in our view, largely unrealistic — that a stable real demand for money is maintained in 1996 at the level of 1995, the growth of prices in 1996 will, according to our calculations, total around 95 percent (55 percent in the second half-year). In that case, the new authorities would reap the fruits of the stabilization policy for some time, "whipping up" expenditure still more in conditions of relatively low inflation. Then, in view of price inertia, the main upsurge in inflation would be postponed until 1997.

Further on Gold Sales Slated To Pay Pensions

MK2911070895 Moscow NEZAVISIMAYA GAZETA in Russian 28 Nov 95 p 4

[Unattributed report: "It Is Unwise To Sell Gold Now"]

[FBIS Translated Text] Aleksandr Khandruyev, first deputy chairman of the Russian Federation Central Bank, thinks it unwise to sell gold from the country's reserves abroad under the prevailing situation on the world's precious metals market. In his words, it is more rational under the present situation to accumulate gold currency reserves since, according to Russian Federation Central Bank experts' estimates, "the world market is on the verge of another long-term cycle characterized by an increase in the price of gold." Commenting on the decision by Russian Federation President Boris Yeltsin to release additional money for the Pension Fund through the sale of some precious metals, Aleksandr Khandruyev confirmed that this involves the movement of gold within the country. As was earlier announced by Yuriy Kotlyar, first deputy chairman of the Russian Federation Committee on Precious Metals and Precious Stones [Roskomdragmet], part of the gold will be transferred from the State Fund to the Central Bank, which will extend to the government a credit toward the payment of pensions. The Roskomdragmet deputy head declined to reveal the size of the credit and the volume of the precious metals necessary to extend it, citing the "classified nature" of these figures.

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Ukraine Is Biggest Fuel Debtor, Ministry Source Says

MK2911062395 Moscow SEGODNYA in Russian 28 Nov 95 p 7

[ANI report: "'Near Abroad' Owes More That 14 Trillion Rubles for Russian Energy Resources"]

[FBIS Translated Text] Buyers of energy resources have at the moment run up a debt of 75 trillion rubles [R] to the Russian fuel and energy complex, a knowledgeable source in the Russian Federation Ministry for Economic Cooperation With Member States of the Commonwealth [Minsotrudnichestvo] reported on Monday [27 November]. Commonwealth and Baltic countries account for R14.4 trillion of the sum. The source said that it had proven possible to slow the growth of the debt in recent months. The biggest debt of R8.7 trillion to Russia is owed by Ukraine — 60.6 percent of the total debt of the "near abroad" countries. Other major debtors are Belarus — 17 percent, Kazakhstan — 11 percent, and Moldova — 9 percent. To prevent a further increase in the CIS countries' debt in 1996, Minsotrudnichestvo proposes to introduce as of 1 January payment in advance for energy resources and supply them only after having received state guarantees that all types of debts to Russian fuel and energy complex enterprises will be paid.

Hopes for Multibillion-Dollar 1995 Arms Exports Fade

MK2811145895 Moscow SEGODNYA in Russian 24 Nov 95 p 2

[Report by Pavel Felgengauer: "Hopes for Multibillion-Dollar Profits From Arms Trade Did Not Come True At All. In 1995, Russian Arms Exports To Reach $2.5 Billion At Best"]

[FBIS Translated Text] This week, Sergey Svechnikov, chairman of the newly created Russian Federation State Committee for Military-Technical Policy, held a meeting with the chiefs of key domestic enterprises designing and manufacturing weapons and military hardware. The meeting discussed problems relating to arms exports, the key problem being that, while there are large quantities of weapons for sale in Russia, there is little it has managed to sell.

In the 1980's, the USSR used to sell/deliver $15-20 billion-worth of arms a year. The dollars were fairly notional, though — the brotherly countries paid through barter trade, if at all. Nonetheless, in the 1990's, Russian arms traders and manufacturers hoped for the export boom to continue. Over the past five years, the domestic military-industrial complex annually expected a breakthrough on foreign markets and multibillion-dollar orders.

Last year, the "Rosvooruzheniye" State Company for the Export and Import of Arms and Military Hardware asserted that exports would exceed $3 billion in 1994. Slightly more than a year ago, Admiral Sergey Oslikovskiy, currently discharged first deputy general director of "Rosvooruzheniye," announced publicly that taking into account already concluded contracts, the Russian arms exports would amount to $5-6 billion in 1995, and in the coming years, "if our Foreign Ministry manages to see to it that embargoes on our traditional partners — Iraq and Libya — are lifted," Russia would be able to sell weapons worth $12-15 billion a year — naturally, if Moscow manages to counter "unscrupulous trade techniques by U.S. arms exporters and Washington's political pressure."

The actual result of 1994 was $1.71 billion. Now the new arms export chiefs are more modest and cautious in their estimates: In 1995, Russia's arms exports "may reach $2.5 billion" and $3-4 billion in the coming years "if we work hard."

Sergey Svechnikov explained that the world arms market has shrunk from $45 billion in the mid-1980's to $25 billion now. Therefore, there is no reason to count on particularly large orders. All the more so because the Americans and all other foreigners continue to put all kinds of spokes into our exporters' wheels. Yet, "ties with our traditional partners improve; contacts with Eastern Europe have been restored; a breakthrough to new markets — Greece, South Korea, and Malaysia — has been achieved." (Regarding Russia's trade with Arab countries, see page 9.)

This week, chiefs of the defense industry, as they did at many such meetings previously, complained once again about their woes but not so desperately as before. The situation in the military-industrial complex has somewhat stabilized, even though at a very low level. Some have not survived, but the firms that still exist have somehow learned to live with it. Hopes for a miracle — the resuscitation of a huge "domestic" defense order and multibillion-dollar export deliveries — have faded away. Mark Vaynberg, general designer of Mil's helicopter manufacturing company, told your SEGODNYA correspondent that he does "not very much count on state assistance." Today his company makes its living mainly by servicing civilian "Mi" helicopters. "As for the state — I wish it just did not stand in our way."

Sergey Svechnikov said that the State Committee for Military-Technical Policy "seeks to establish simple rules of the game understandable for everyone" on the

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export market. Manufacturers were promised greater independence — with the state, as usual, retaining overall control.

Grain Tax Cut Will Reportedly Stop Rising Bread Prices

LD2711210295 Moscow INTERFAX in English 1613 GMT 27 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 27 (INTERFAX) — According to the Russian Federal Food Corporation, a kilogram of bread will not cost more than 5,000-5,500 rubles in 1996—a little more than it costs today.

Federal Food Corporation Director, First Deputy Agriculture Minister Magomedtagir Abdulbasirov told INTERFAX today that this sum included the grain purchase price (which currently varies within 800,000-900,000 rubles per tonne), railroad transportation costs, expenses on processing and other factors of the price structure.

"The Russian government's decision of November 13 to lower the value added tax on grain purchased from agricultural producers from 20 percent as on raw material to 10 percent as on any food will halt growth in bread prices," Abdulbasirov said.

Abdulbasirov said that about 1 million tonnes of grain instead of the needed 8.6 million tonnes had been purchased to the federal food fund for meeting the needs of the country's most northern regions, large industrial centers, army and Interior Ministry. He said the state had money for purchasing at least another 3 million tonnes of grain but after that the financial reserves would have to be replenished through additional credits.

"These financial reserves are based on credits which the Corporation receives in line with treaties concluded under governmental guarantees (3 trillion rubles) with commercial banks (1.7 trillion rubles) and the Roskhlebprodukt joint-stock company," Abdulbasirov said.

Russia produces 700 grams of flour out of one kilogram of grain and 1.1-1.2 kilograms of bread, depending on technology, from these 700 grams of flour.

Debts to Federal Budget Cost Company Director's Job

MK2811151295 Moscow SEGODNYA in Russian 28 Nov 95 p 1

[Report by Rustam Narzikulov: "External Management Introduced in the 'Yuganskneftegaz' Joint-Stock Company. An 842 Billion-Ruble Debt Has Cost the Director His Job"]

[FBIS Translated Text] Yesterday an extraordinary meeting of shareholders of the Yuganskneftegaz Joint-Stock Company, controlled by the Yukos company, was held in the city of Yugansk (Tyumen Oblast).

The shareholders of Russia's second largest oil producing enterprise (27 million tonnes a year) virtually unanimously voted for the early termination of General Director Aleksandr Gulyayev's powers. The reason for such a decision was an enormous outstanding debt to the state budget: 842 billion rubles (approximately $185 million).

The meeting "pointed to an unsatisfactory balance structure and signs of insolvency" in Yuganskneftegaz, in which connection it decided to transfer "company management functions" to Yukos.

It needs to be noted that this is the first instance of leadership replacement among major defaulters to the budget following Anatoliy Chubays's tough statements. It is not ruled out either that personnel changes are connected with Yukos's upcoming internal reorganization — the exchange of subsidiary company shares for holding shares.

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International Affairs

Ukraine To Take Over Black Sea Fleet in Crimea 1 Dec

LD2711195595 Moscow ITAR-TASS in English 1943 GMT 27 Nov 95

[FBIS Transcribed Text] KIEV, November 27 (ITAR-TASS) — Russia and Ukraine have reached an agreement to hand over the Black Sea fleet base in Crimea to Ukraine's Navy starting December 1, 1995.

Under the deal, about 150 facilities will be transferred to Ukraine, Ukrainian Defence Minister Valeriy Shmarov said in an exclusive interview with ITAR-TASS on Monday.

Under another agreement with Russia, Ukraine will receive a military garrison in Kerch, where aircraft, missile, naval and airborne testing ranges, airfields, shipyards and ship maintenance shops are located.

Ukraine will also take over the arsenals of two ammunition depots, including an aviation ammunition depot belonging to the Black Sea fleet.

Shmarov said the agreement was the result of fruitful talks with his Russian counterpart Pavel Grachev in Sochi. He pointed out that all units must be transferred in full. At the same time, only part of the to-be-transferred property will go to the Ukrainian Defence Ministry. The rest will be used for the benefit of the national economy, he said.

Premier Interviewed on Relations With Russia, Bosnia

BR2811155295 Brussels LE SOIR in French 28 Nov 95 p 2

[Interview with Ukrainian Prime Minister Yevheniy Marchuk by Pol Mathil; date and place not given: "Ukraine, in the Shadow of Chernobyl and Moscow"]

[FBIS Translated Excerpt] [Passage omitted] [Mathil] On 14 September President Yeltsin signed a decree on Russia's relations with the other CIS [Commonwealth of Independent States] countries. Even in Russia this decree was interpreted as a sign that Moscow was returning to ideas close to Soviet imperialism. Yet the official reaction by the Ukrainian Government was very muted. Why?

[Marchuk] We never received the text of this decree. There was therefore no response or official reply. On the other hand, it received extensive media coverage.

[Mathil] But the deputy foreign minister at the time, Boris Tarasyuk (now ambassador to Brussels), let it be known that you do not like the decree.

[Marchuk] Yes, but he was taking up a position on the basis of the newspaper articles.

[Mathil] President Yeltsin thus signed a decree which seems to want to include Ukraine in its sphere of influence, without warning or informing you?

[Marchuk] The Russians alone can decide who they want to send their documents to.

[Mathil] Did other CIS countries receive it?

[Marchuk] I do not know. But I do not think so.

[Mathil] Belarus clearly received it. It is already acting on it. Does not the policy envisaging the self-satellization of your neighbor Belarus worry you?

[Marchuk] Relations between Belarus and Russia are the business of these two countries. They will develop them in the direction they choose. We cannot meddle in their affairs. Just as we would not like to see others meddle in our affairs.

[Mathil] How do you view the prospect of seeing the NATO border move up to the border between Ukraine and Poland?

[Marchuk] There are many sides to this question. If NATO is enlarged without taking into account Russia's position, in one form or another, that could create tensions.

[Mathil] Do you share Moscow's totally negative attitude to enlargement?

[Marchuk] Our approach is different. For proof of this, simply look at our participation in the various projects launched by NATO, such as the Partnership for Peace.

[Mathil] Your president, Leonid Kuchma, took a very critical view of the NATO air strikes in Bosnia. Without these strikes there would not have been the beginnings of peace. Have you changed your mind?

[Marchuk] We do not believe the use of force is a good way of resolving political problems. Also, we want to be involved in the reconstruction of Bosnia. We suffered very serious losses due to our compliance with economic sanctions on Yugoslavia.

[Mathil] What do you think of the Dayton agreements? Do you find them fragile?

[Marchuk] Only the future will tell us if that is so and to what degree. But we believe it is a start on which we can base our hope.

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Udovenko Cited on Relations With European Union

WS2911113995 Kiev UKRINFORM in English 0811 GMT 29 Nov 95

[From the "Current Events" feature]

[FBIS Transcribed Text] As reported by UKRINFORM's foreign affairs correspondent, Ukraine's Foreign Minister Hennadiy Udovenko held a press briefing in Kiev on November 28. The press briefing focused on the outcome of Mr. Udovenko's meeting with foreign ministers from three European Union member-nations: Spain, Italy, and France, which took place in Madrid, Spain on November 24.

As Mr. Udovenko disclosed at the press briefing, the European Union considers Ukraine as one of its most important partners in Eastern Europe. According to him, the European Union regards its partnership relations with Ukraine as one of its priorities and as a perspective policy.

As Mr. Udovenko told journalists, the present state and perspectives of the European Union's relations with Ukraine was one of the main issues discussed during the meeting between him and his counterparts from Italy, Spain, and France. He further disclosed that he informed his European Union counterparts about the processes going on in Ukraine, particularly the economic reforms.

Mr. Udovenko said that the success of the economic reforms in Ukraine depends on Ukraine itself, but it also depends, to a large extent on assistance from the European Union. He regretted that the issue of recognition of Ukraine as a nation with a transition economy has not been resolved up till now. He told journalists that the Madrid meeting also discussed the slow pace of ratification of the partnership and cooperation agreement between Ukraine and the European Union. As of today, only three European Union member-countries out of fifteen have ratified the agreement.

Speaking at the press briefing, the chief of the Ukrainian Foreign Ministry's Management Department, Ihor Kharchenko, told journalists that the ministers from the three European Union nations shared a common view with their Ukrainian counterpart on the processes taking place in the CIS in general and Russia in particular. He said that the September 14 document on Russia's strategic interests prompted concern and various reactions in European Union member-nations.

Foreign Minister Heading Delegation on Visit to ROK

LD2811173795 Moscow INTERFAX in English 1218 GMT 28 Nov 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] KIEV, Nov 28 (INTERFAX-UKRAINE) — A Ukrainian delegation led by Foreign Minister Hennadiy Udovenko is leaving for an official visit to Korea on Tuesday. The main objective of the visit is a broadening of bilateral cooperation, H. Udovenko said in an exclusive INTERFAX-UKRAINE interview last night.

The Foreign Minister reminded of the "multipronged "character of Ukraine's foreign policy. Ukraine would like to develop political, trade-economic, military-technical and cultural relations with different countries worldwide, the Asia-Pacific region included, H. Udovenko said.

Among the delegation are the Ministers of Foreign Economic Relations and Trade, Engineering, Military Complex and Conversion and other departments, he disclosed. The talks in Seoul will also cover preparations for the forthcoming visit to that country of Ukrainian President Leonid Kuchma.

The Ukrainian Foreign Minister expressed hope that the visit would give a fresh impetus to the development of trade and economic relations between the two states. "Ukraine and Korea shall make use of the present level of bilateral relations, which is high enough, and the great interest of Korean businessmen in broadening cooperation with our country," INTERFAX-UKRAINE quoted H. Udovenko as saying.

The visit to the Republic of Korea of the Ukrainian delegation is to end on December 1. On the agenda are H. Udovenko's meetings with President Kim Yong-sam and with his Korean counterpart Kong No-myong as well as the signing of an intergovernmental agreement on trade and economic cooperation and a protocol on mutual consultations between the two Foreign Ministers.

Commentary Questions Value of Accords With Latvia

AU2911112095 Kiev HOLOS UKRAYINY in Ukrainian 25 Nov 95 p 4

[Commentary by HOLOS UKRAYINY columnist Valentyna Pysanska: "Ulmanis Is Our Friend, or Nonfestive Reflections After the Visit"]

[FBIS Translated Text] *The two-day state visit by Latvian President Guntis Ulmanis to Kiev may, perhaps,*

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be compared to the visit by Bill Clinton in terms of the publicity given to it by the radio and television and the splendor of the receptions. I think that President Leonid Kuchma's casual remark that he was receiving Guntis Ulmanis not only as head of a friendly neighboring state, but also as his personal friend had much to do with this.

Incidentally, in terms of the number of agreements and protocols of intent, the results of the visit were among the "richest": It appears that everything was signed that could be signed. Apart from this, during the recent, in May, visit by Leonid Kuchma, a considerable number of political and economic accords were also reached and could have been implemented by now to some extent.

However, here is what one can observe behind the propaganda excitement. Even the official reference prepared by the Ministry of Foreign Affairs (incidentally, in such cases there is usually no shortage of compliments) did not use diplomatic formulas, but had to admit that "the process of formation of the contractual-legal foundation for interstate relations is developing slowly." To judge from the data cited, this "process" is not developing at all.

Things are no better in trade and economic cooperation, where, according to the same reference by Ukraine's Foreign Ministry, "a trend toward reduction may be seen."

There is yet another fact that gives rise to apprehension: 80,000 Ukrainians reside in Latvia, but only 5 percent of them have been granted Latvian citizenship. In accordance with the current Latvian legislation, residents was registered there and, in fact, society was divided into two groups: citizens and aliens. What is the status of our Ukrainians? There are 65,000 Ukrainians among those aliens and about 15,000 of them have not been registered at all; in conformity with the Latvian law on citizenship, they cannot even seek Latvian citizenship.

There is no need to explain in what situation the Ukrainians have found themselves in Latvia, even though President Guntis Ulmanis has claimed that aliens in his state enjoy all social rights and are not in any way discriminated against. Without questioning the assurance of the head of state, I know from the accounts of people who have become "aliens" that problems arise even in purely everyday matters. Such as during visits to clinics, in communal services, and so on. It might seem that, after assurances of friendship, our president would, first and foremost, have put a word in for Latvia's Ukrainians. All the more so since a country that has joined the Council of Europe takes upon itself responsibility for the fate of its fellow citizens residing abroad. This is a condition that must be observed.

What about Ukraine? It was decided that, in the future, a separate bilateral agreement will deal with the situation of Ukrainians in Latvia. However, people have to live now and not only in the future.

It is wonderful that (yet again) trade relations with northern Europe are being re-established. It is certainly wonderful that, as was maintained at official meetings, Ukraine will probably be able, through Latvia, to establish relations with northern European states. May God help us in this! However, the road will be through the anguish of the "aliens." But is that not so important?

Diplomats Oppose Decree on Anonymous Accounts

WS2911114195 Lvov INFOBANK in English 0810 GMT 29 Nov 95

[From the "News Service" feature]

[FBIS Transcribed Text] Sources within the administration of Ukraine's president have told INFOBANK that the United States' ambassador to Ukraine, William G. Miller, has sent an official letter to President Kuchma in which he discusses the consequences of the president's decree issued August 1, 1995, on "The opening of anonymous hard currency accounts by physical entities (residents and non-residents)." The US ambassador expressed concern that giving Ukrainian banks authorization to open anonymous accounts for physical entities will lead to an increase in illegal international business activities in Ukraine. INFOBANK learned from these same sources that Mr. Miller's concern is shared by a majority of officials from diplomatic missions and representatives of international financial organizations in Ukraine.

According to one official from a commercial bank who asked that his name be withheld, since the president's decree went into effect certain commercial banks have been able to accumulate up to $1 million each in anonymous accounts and there is therefore reason to believe that they will strongly oppose the cancellation of this presidential decree.

A member of the parliamentary commission for finance and banking activities, Serhiy Teryokhin, commenting on this issue to INFOBANK, said that generally speaking he is not in favor of the anonymous hard currency accounts since, according to instructions from the National Bank of Ukraine, anonymous accounts in freely convertible currencies can be opened without proof of the depositor's identity, funds in such accounts are not subject to taxation, and when money is deposited into anonymous accounts the depositor is not required to produce proof of registration from customs agencies. Thus the most effective means of fighting illegal businesses

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— taxation — is not being carried out. According to Mr. Teryokhin, if the National Bank's instructions do not allow hard currency from anonymous accounts to be transferred abroad or to accounts of non-residents in Ukraine, then the funds accumulated in these accounts will be used primarily in illegal business dealings within Ukraine. Mr. Teryokhin pointed out that the National Bank's instructions stipulate that funds from anonymous accounts can be used by residents of Ukraine to purchase securities, for investments into the country's economy, and for charitable donations. But this, he said, violates Ukraine's law on "The stock market" which stipulates that when securities are purchased the purchaser must be identified.

National Affairs

President Kuchma Addresses Market Reform Press Club

WS2911103095 Kiev URYADOVYY KURYER in Ukrainian 23 Nov 95 p 13

[Introductory speech by Ukrainian President L. Kuchma at the meeting of the National Press Club for Market Reforms, in Kiev on 18 Novemeber: "Not To Turn Off the Road"]

[FBIS Translated Text] I accepted with satisfaction the invitation to meet with you to discuss vitally important issues and Ukraine's problems, given that we are facing the need for implementing radical reforms. Over a year has passed since the president introduced his program for accelerating market reforms at a Supreme Council session. That convinced me of the idea that there are no other alternatives to this course. I think the current primary task is to give the market transformation of economy an irreversible character.

I am glad that you worry about the situation, too. I think that our stances on the most important and most significant issues coincide. Have we moved ahead far enough to feel secure on the path of market reforms? I believe that what we have done gives grounds to be guardedly optimistic.

This is why.

We all know that the acceleration of market reforms is not possible without the stabilization of the financial-monetary system which is the basis for lifting the economy out of crisis and its further qualitative reconstruction.

We have kept on the course of the anti-inflation policy in 1995. Just think about it: Inflation in 1995 was 40 times lower than in 1993. If we manage to reduce inflation twofold in 1996, you may be sure that one of the most stable cornerstones has been laid for market reforms. Calculations indicate that the inflation rate in the fourth quarter of 1995 will be five times lower than the corresponding period of 1994 when we were practically launching the process of implementing reforms.... Meanwhile, putting an end to the production decline will be another cornerstone. We have laid quite good foundations this year. An increase in industrial production is being observed, and the decline in the industrial sector has been practically stopped. There are already industries in which a production increase instead of a decline is being observed — for instance, food industry and nonferrous metallurgy.

Putting an end to the decline in the population's standard of living will become a third cornerstone. I did not promise last year to radically change the situation in the sphere of living standards, and there have not been crucial changes. At the same time, a certain financial stabilization, which I had promised, has led to a 33-percent increase in the nominal average wage in its dollar equivalent. For the first time in four years, we managed to stop the decline of the population's real income. I understand that it is very hard to believe in the first promising signs after such an unheard of decline in the population's standard of living in recent years. In addition, not much has been done yet. It is true that we insufficiently protect the most vulnerable classes of our society from the discomfort caused by the unpopular, yet necessary measures in the reformation process.

It is obvious that without such protection we cannot expect wide social support for reforms, and what is more support for giving them an irreversible character.... The fatigue of the people, caused by the reforms, and the mentality of longing for the old system, caused by their confusion over the material disorder, could become a serious obstacle to the implementation of our reform intentions....

Recent authoritative sociological studies indicate that over half of our compatriots support reforms, but not by shock therapy methods. At the same time, 20 percent of people are against reforms in general. We have to achieve a qualitative improvement of social policy and primarily render efficient targeted assistance. We should apply urgent measures in this field. The government should primarily develop a program which would be clear and understandable for all citizens. All pensioners, as well as all students should know what they would receive in one, two, or three years time.... This should be the key priorities of all echelons of executive power. The irreversibility of reforms will be determined to some degree by the appearance of a middle class, the establishment of which has not been satisfactory so far. Marking time in the development of small business and enterprises is becoming unbearable. In certain sectors

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we have lost the accomplishments we had two years ago. In developed countries small- and medium-size businesses provide up to 60 percent of jobs and produce a tangible part of the GDP. But in Ukraine, on the contrary: a large number of small enterprises decreases and their real input [as published] constitutes less than 30 percent of all the registered small enterprises. This indicator does not exceed 15 percent in certain oblasts.... All other small enterprises actually serve the shadow economy. We have drafted legal measures with regard to the development of this sector which is connected with the development of small- and middle-size businesses.

The same system is applied in our tax policy. Currently we levy only 50 percent of taxes. This is, as we know, the state's primary function. If we do not learn how to fully perform this function, not only will we be unable to secure the irreversibility of economic reforms but we will also be unable to support social stability. We will never be able to establish an authoritative administration if our social policy is not efficient. During my stay in Latin America, economists and financiers of practically every state said that our main task is to learn how to really levy taxes. At the same time, our tax policy is in need of serious corrections. As I already mentioned, we are completing the drafting of a complex of measures with regard to the improvement of the tax system. We will file appropriate proposals to the Supreme Council. Discussions on this issue are being held everywhere, and sometimes they are very heated. I recently visited Kharkov, where all the people were saying as one man that it is unprofitable to work when such a tax policy is applied. Even yesterday, during a festive meeting devoted to the Day of Agricultural Workers, this issue was raised, given that taxes consume 90 percent of every karbovanets earned. [as published]

The development of the new system is based on profound changes in ownership relations. We have been developing a many-sided economy with harmonious coexistence of various forms of ownership. Currently, almost 50 percent of industrial production is manufactured by non-state enterprises. We will further expand the non-state sector of the economy. During the first 10 months of 1995, the number of privatized enterprises increased by 40 percent in comparison with 1994. During the same period, over 13 million citizens obtained privatization vouchers. We have approached the resolution of the issue of transforming state-run enterprises into corporations. By determining a list of Treasury-owned enterprises, establishing new forms of ownership, and transforming our citizens into true owners we will provide the most reliable guarantees of our society's quantitative transformation. With regard to this, we cannot disregard the process which has been launched in villages. The presidential edict on "Acceleration of Agrarian Reform" was passed a year ago. You certainly remember all the rumors. Once again we hear voices calling for the discussion of the Land Code and the introduction of changes and amendments in it. Meanwhile, today we have the first specific results. You certainly know these results very well. I do not want to repeat them again. In conclusion, I would like to say that on these new phenomena we pin our hopes for revolutionary changes in people's mentality, their positive stance toward private ownership, as well as toward social relations. Structural reshaping of the economy is of great importance. Unfortunately, there have been no substantial changes in this area. The national economy is not well balanced and its proportions are not optimal. So far, no enforceable acts have been passed to reflect the Ukrainian president's requirement concerning the determination of enterprises' situation and their future. If we do not introduce tangible changes in this area, all our international credits will go down the drain. Ukraine will not obtain a deserved place on the world labor market. We will lose markets which we have abroad, as well as our own market. We will not be able to provide an increase in our population's standard of living. This is the principal problem and the principal issue for which the president will severely hold the government responsible. I would like to point out that if we want to reach the European states' standard of living, we have to increase by four to fivefold the output of the light and food industries, and by sevenfold our transport and communication services. Hence, corresponding tasks for the appropriate development of processing industries. We also have to consider the potential impact of foreign factors on Ukraine's development. Russia and our other traditional partners from the CIS have made substantial steps toward a market economy. This fact also encourages us to follow the chosen path. Synchronization of our activities with partners in this case is even more important. Perhaps, after considering our own and their errors, we should even work, so to say, so as to get ahead of the process. At least we should not lag behind.

The irreversibility of market reforms to a significant degree depends on constitutional regulations, which lay legal foundations for a new society. This is why the president pays particular attention to the acceleration of the constitutional process, given that the latter has approached the stage of practical actions. There is a draft constitution which will be discussed at the Constitutional Commission session on 23 November. We will persistently look for other versions which would satisfy the president and the majority of the Supreme Council, and which would adequately reflect people's social needs. We are going to demand that a law be passed which will provide strategic, economic,

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and political stability of the population and will open prospects of social development. God forbid we fall into the abyss of political crises. I am convinced that it is possible to accomplish this process in a civilized manner at the Supreme Council level. I believe that this is clear to the representatives of the executive power in the Supreme Council, and that we will reach an agreement on this issue, as well as on other issues that are vital to us. These are, in my opinion, some of the principal problems with regard to ensuring irreversibility of economic reforms, which as a result should increase our compatriots' prosperity. Therefore, I am ready to further cooperate with you and answer to all your questions and problems which worry you and hence, the nation.

Premier Marchuk Urges West To Fund Chernobyl Shutdown

BR2811142895 Groot-Bijgaarden DE STANDAARD in Dutch 27 Nov 95 p 5

[Report on interview of Ukrainian Prime Minister Yevheniy Marchuk by Ren De Bok in Brussels; date not given: "Ukrainian Prime Minister Sounding Alarm About Chernobyl — Deferment of Shutdown Would Involve Great Risks, Even for West"]

[FBIS Translated Excerpt] Brussels — During a meeting in Brussels Ukrainian Prime Minister Yevheniy Marchuk labelled the Western proposals for contributing to the dismantlement of the Chernobyl nuclear power station "unacceptable." He added that, for lack of Western cooperation, the Ukraine has no choice but to keep the nuclear plant open. With all risks involved, even for the West. [passage omitted]

Talks

At present the Ukraine is permanently negotiating with the G7 countries and with the European Union, but these talks are not proceeding smoothly. Western countries claim that the Ukraine has failed to supply adequate technical information up to now.

The Ukrainian prime minister, who was in Brussels for a conference on oil transactions, refutes this criticism: "The Ukraine has come up with specific suggestions regarding possible ways to deal with Chernobyl, even in terms of implementation and financing. But so far the G7 countries have failed to provide any unambiguous answers."

"We also launched the idea of setting up a scientific center which would study the dismantlement, but there has been no reaction to that suggestion, either."

Renovating

"We made it clear that we are willing to shut down the nuclear plant by the year 2000. However, we are not capable of solving all problems by ourselves. We have already invested billions of dollars in Chernobyl. So now we are short of financial means. We will not only require credits, but also other forms of financial participation such as subsidies."

Prime Minister Marchuk insists that the West should speed up its plans for shutting down Chernobyl. "Unless the West decides on its contribution fast, the Ukraine will be forced to take other actions, such as renovating the generator systems for the nuclear plant's energy production."

Prime Minister Marchuk regards this as an emergency solution but sees no alternative. It would be unthinkable to merely shut down the plant without any dismantlement plan. "If we switch off the generators now, we still don't know how to get rid of the nuclear waste. Right now 2,000 tons of waste are already waiting for treatment. And what should happen with the protective shield around the Chernobyl plant? And how should we solve the problems involved in sinking down the plant's sarcophagus? If the G7 countries or our counterparts within the European Union fail to come up with clear suggestions, the only possibility for us is to keep the plant open."

Prime Minister Marchuk adds that the Ukraine is also forced to resort to this option because the country's economic situation requires a prompt solution. Unless the West is willing to cooperate, continuing the activities is the only alternative.

Prime Minister Marchuk denies that he is maneuvering the West into a blackmail position: either provide support, or accept that an extremely dangerous situation is created, including for the West.

"All I want to do is to give a clear signal. Shutting down the plant without a proper plan will not solve the problem. Things will only get worse then. We in the Ukraine have become used to living with the Chernobyl crisis situation. However, people in the West should realize that the situation is equally perilous for them."

Further on Marchuk Chernobyl Statements

AU2911121295 Kiev URYADOVYY KURYER in Ukrainian 25 Nov 95 p 2

[Report by Volodymyr Ilchenko: "The Chernobyl Problem: Any Procrastination Is Inadmissible"]

[FBIS Translated Text] **On 22 November, under the chairmanship of Ukrainian President Leonid**

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Kuchma, the National Security Council held a meeting at which the question of decommissioning the Chernobyl Atomic Electric Power Plant [AES] was discussed. After the meeting, Ukraine's Prime Minister Yevhen Marchuk commented upon this problem.

A single approach to the problem of closing down the Chernobyl AES had been worked out, and the Ukrainian president repeatedly stated this. A political decision was adopted: Ukraine is ready to decommission the AES, and leaders of the G-7 were informed about this. However, according to the prime minister, Ukraine believes that the outlays for closing down the AES are extremely large. It is not just a matter of putting the nuclear power units out of operation, but also of resolving the problem of alternative capacities, storing the spent nuclear fuel, finding employment for the personnel, ensuring the energy supply, and maintaining the "Ukryttya" [Shelter] facility.

Consequently, proceeding from the present difficult economic situation, Ukraine is unable, on its own, to resolve this problem. That is why, in his letters to leaders of the G-7 and European Union, the president explained this problem, which, if left unresolved and delayed, may compel the Ukrainian government to reconsider its position on decommissioning the Chernobyl AES. Ukraine will be compelled to adopt a decision on rebuilding two nuclear power units, said Marchuk.

The estimates of the G-7 countries on providing assistance to us are absolutely unacceptable. Those estimates include matters that have nothing to do with problems of the Chernobyl AES. They take into account those credits that are earmarked for resolving ecological problems in the coal industry and the rehabilitation of hydroelectric power plants. These are general power-engineering problems. What we are talking about is a quite complicated and "costly" problem, which is of global significance.

In April 1996, it will be the 10th anniversary of the accident at the Chernobyl AES. The Chernobyl plant claimed enormous amounts of financial and labor resources, the population is suffering from the aftermath of the accident, and the lack of a specific approach and the indecisiveness of the G-7 will confront us with a need to reconsider our decision.

This does not mean that the approach to the problem of closing down the Chernobyl AES has now changed. However, specialists believe that the G-7 must adopt a final decision.

We will suggest to the G-7, said Ye. Marchuk, that the negotiating process, on their part, be headed at a level higher than present.

This year, the Ukrainian president told Mr. Barnie, a G-7 representative, that Ukraine would not be able to resolve this problem on its own. Barnier expressed understanding and stated that, unless the West provides the required assistance, Ukraine would have the right to change its decision.

Thus, the position of the president and Ukrainian leadership has not changed. That is why we want to have a final, clarified G-7 position with regard to its participation in the financing of this enormous project. Any procrastination in tackling this problem is inadmissible, as it bears upon security issues, believes the prime minister.

State Bodies To Assist Regions in Combating Crime

AU2811183995 Kiev HOLOS UKRAYINY in Ukrainian 25 Nov 95 p 2

[Unattributed report from Kiev: "Donetsk and the Crimea — Zones Requiring Special Attention"]

[FBIS Translated Text] The Presidential Coordinating Committee for Combating Corruption and Organized Crime held a meeting. It was presided over by Ukraine's Vice Prime Minister Vasyl Durdynets, chairman of this special state body.

In view of the complicated crime-breeding situation in Donetsk Oblast and in the Crimea, V. Shcherban, chairman of the Coordinating Committee at the Donetsk Oblast State Administration, and A. Demydenko, chairman of the Coordinating Committee at the government of the Crimean Autonomous Republic, and heads of the regional law-enforcement structures delivered reports on the fulfillment of Ukrainian presidential edicts and decisions by the Coordinating Committee and the National Security Council for Issues of Combating Crime.

The performance of law-enforcement bodies and local bodies of executive power on combating corruption and organized crime has been rated as unsatisfactory.

The Coordinating Committee tasked the leadership of the Ministry of Internal Affairs and Ukraine's Security Service, jointly with the Prosecutor General's Office, to urgently provide professional assistance to their territorial bodies in uncovering and neutralizing bandit and other groupings that act on the territory of the Crimea and Donetsk Oblast and to investigate serious crimes and other violations of law.

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Economic Issues

Minister Reports Losses Due to Yugoslav Sanctions

LD2811201395 Moscow INTERFAX in English 1623 GMT 28 Nov 95

[FBIS Transcribed Text] KIEV, Nov 28 (Interfax-Ukraine) — Ukraine is continuing efforts for a compensation of the damage resulting from the imposition of sanctions against former Yugoslavia, Vladimir Elchenko, chief of the international organizations department of the Ukrainian Foreign Ministry, told a briefing Tuesday.

He said that as a result of imposition of sanctions Ukraine had suffered losses totalling around 4,000 million USD. On top of it, as a result of a blocking of shipping and other transport communications, economic ties were disrupted between Ukraine's mills and factories and the Danube region countries.

In Elchenko's opinion, a continuation of the talks is necessary for outlining at the UN an effective procedure for a compensation to countries, which will suffer as result of imposition of sanctions against other states.

V. Elchenko expressed confidence that the peace accords signed in Dayton would be implemented. He emphasized that the implementation of these accords depends in the first place on the sides in the conflict.

The diplomat said that the representatives of Ukraine had been invited to participate in the first peace conference in London for a Bosnian settlement. The conference is due to be held on December 8-9.

Committee To Seek Return of Hard Currency Held Abroad

AU2911115895 Kiev HOLOS UKRAYINY in Ukrainian 25 Nov 95 p 1

[Unattributed report: "How To Open the Safes of Foreign Banks?"]

[FBIS Translated Text] A program and mechanism for returning hard currency that is being illegally held abroad were approved on Thursday [23 November] in Kiev by the Presidential Coordinating Committee for Combating Corruption and Organized Crime.

According to Vasyl Durdynets, vice prime minister for issues of national security and emergency situations, the Prosecutor General's Office, the Ukrainian Security Service, and the Ministry of Internal Affairs were authorized to examine the state of investigation into more than 150 criminal cases, initiated in connection with violation of hard currency legislation and the failure to return hard currency to Ukraine. Durdynets stressed that the Committee would revise "all declarations since 1991 on exports of Ukrainian products abroad and will question every entrepreneur."

It is not known exactly how much currency is being illegally held abroad. However, Durdynets said that, over nine months of the current year, goods worth $1.98 billion had been exported from Ukraine. According to him, "more than $1 billion has been put into foreign accounts."

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Belarus

Parliamentary Chairman Hryb Not To Seek Re-Election

LD2811180895 Moscow INTERFAX in English 1623 GMT 28 Nov 95

[FBIS Transcribed Text] MINSK, Nov 28 (Interfax-West) — Belarusian Parliamentary Chairman Mechyslaw Hryb will not run for his present post at the November 29 by-elections, Hryb told Interfax Tuesday.

"The impossibility to work under conditions of suspicion and constitutional violations by President Alyaksandr Lukashenka" prompted this decision, he added.

If the deputies propose his candidacy for parliamentary chairman again, Hryb said he will refuse. "Working in the present situation will not bring more health to me and any use to the people," he stated.

Hryb, 57, a lieutenant general, chaired the parliament in February 1994 when the parliamentary majority sacked Stanislav Shushkevich, pressed to do so by the then prime minister, Vyacheslav Kebich. Prior to this, Hryb headed the parliamentary commission for national security, defense and fight against crime. Being head of state for several months (before the Belarusian president was elected — IF note), Hryb signed the first constitution in Belarus' history.

Hryb Meets With Foreign Observers, Describes Situation

WS2811145495 Minsk Radio Minsk Network in Belarusian 1300 GMT 28 Nov 95

[FBIS Translated Text] Today, Belarusian Supreme Soviet Chairman Myacheslaw Hryb met with representatives of the Parliamentary Assembly, the Organization for Cooperation and Security in Europe, and the European Parliament, who came to Belarus to observe the 29 November elections. The Supreme Soviet head acquainted them with the situation in Belarus on the eve of the elections.

According to Myacheslaw Hryb, it is possible that the required number of deputies will not be elected in the second round. To make the Supreme Soviet legitimate, it is necessary to elect at least 55 deputies — who along with deputies elected in May 1995 — will make up two-thirds of the total number of the deputy corps. According to the Constitution, this number of deputies is enough to ensure the work of the legislature.

Other Officials Meet With Observers

WS2911113095 Minsk Radio Minsk Network in Belarusian 0400 GMT 29 Nov 95

[FBIS Translated Text] A delegation from the Parliamentary Assembly of the European Council has arrived in Belarus to observe the Supreme Soviet by-elections. A European Council delegation participated as observers in Belarusian Supreme Soviet elections in May, and at the time stated a range of errors in these elections: the absence of genuine political debates, limited opportunities of mass media, and lack of money to finance the election campaign. This time, a delegation from the Parliamentary Assembly of the European Council comprised representatives of France, Finland, Switzerland, Lithuania, Portugal, and Poland. Today, European lawmakers are planning to visit polling stations in Minsk and other oblasts of Belarus. In January 1996, they will submit a report on their trip to the Bureau of the Parliamentary Assembly of the European Council since Belarus wants to become a member of this organization. So far, Belarus has the status of a special guest at the assembly sessions.

On 28 November, Belarusian Foreign Minister Uladzimir Syanko met with members of the European Council delegation who came to observe the Supreme Soviet elections. During the discussion, the minister described the election campaign in detail and specified the democratic nature of the process of nominating candidates which has made it possible to represent the entire political spectrum of Belarus at the upcoming elections. Much attention was paid to the description of the coverage of the election campaign by Belarusian mass media.

Yesterday, Constitutional Court Chairman Tsikhinya received a group of international observers from the Parliamentary Assembly of the Council for Security and Cooperation in Europe who came to Belarus to observe Belarusian Supreme Soviet elections. At the meeting, the sides discussed legal aspects of the situation in Belarus which emerged in connection with the legislative crisis.

BNF Claims Lukashenka To Restore 'Red-Brown Regime'

WS2911113295 Minsk MMC in English 0755 GMT 29 Nov 95

[FBIS Transcribed Text] Syarhey Navumchyk, press secretary of the Belarusian Popular Front [BNF], spread a statement on 27 November which reads, in particular: President Lukashenka evaluated Adolf Hitler's activity in an interview with the German newspaper HANDELSBLATT. A historian by education, Alyaksandr Lukashenka could not avoid knowing that even before

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the World War II the fuehrer began bloody repression of Jews, took away lives of thousands of people, who disagreed with his policy. It was that order and original understanding of nation consolidation, so admired by the president, that gave birth to fascism, which led nations of the world to the greatest tragedy. Such statements cannot be occasional in the mouth of the head of state. Beating up deputies in the hall of parliament, banning the Free Trade Union, unlawful pressure onto the Constitutional Court — all these are steps down the way of abolishing democracy.

The BNF has many times claimed the fact of introduction of authoritarian regime in Belarus and switching to dictatorship. Now the dictatorship is put an ideological background behind, in the form of upholding order. The BNF is once again drawing attention of heads of states, parliaments, and governments, political and human rights organizations to the restoration of the red-brown regime in Belarus. As for Alyaksandr Lukashenka himself, he, after speeches like that, has completely lost the moral right to be a leader of the nation that lost every fourth citizen during the fight with fascism, the statement reads.

Statistics on GDP, Industrial Output Reported

WS2911113795 Minsk BELAPAN in English 0805 GMT 29 Nov 95

[FBIS Transcribed Text] According to information received from the Ministry of Statistics and Analysis, GDP over the January-October period of this year totalled 94 trillion rubles [R], which is 10 percent less than in the same period last year. Industrial output accounted for 89.2 percent compared to January-October 1994. Five hundred forty two industrial enterprises or 32.3 percent of the total number increased their output. One thousand one hundred and twenty two enterprises (66.9 percent) registered a drop in production. These enterprises are basically involved in machine-building, metallurgy, light industry, food industry, and the production of building materials. In fuel and power engineering, industrial output declined by 1.4 percent, but the enterprises of the "Belnaftapradukt" concern increased production by 17.2 percent. The enterprises of the Ministry of Fuel and Power Engineering reduced production by 15.9 percent, and those of the "Belpalivahaz" concern by 6.4 percent. Electricity production in January-October 1995 totalled 20.3 billion kilowatts, which is 19.2 percent less than in the same period last year.

CFE Views Arms Destruction Problems 'With Understanding'

MM2811145895 Moscow KRASNAYA ZVEZDA in Russian 28 Nov 95 p 3

[Report by Valeriy Kovalev: "Belarus Met Half-Way"]

[FBIS Translated Text] KRASNAYA ZVEZDA has already reported that owing to lack of funds Belarus has been unable to meet the deadlines laid down by the CFE Treaty for the destruction of surplus arms. A few days ago a plenary session of the CFE Treaty joint consultative group was held in Vienna. Belarus was represented there by Deputy Foreign Minister Andrey Sannikaw. On his return to Minsk he said that representatives of the countries party to the treaty had viewed the republic's difficulties with understanding and agreed to extend the timeframe for it to implement its treaty commitments until 26 April 1996. What is more, the U.S. and FRG delegations had promised to provide Belarus with material assistance in completing the arms destruction process.

Moldova

Russian Spies Reportedly Active in Chisinau, Dniester

AU2811192095 Bucharest EVENIMENTUL ZILEI in Romanian 25-26 Nov 95 p 2

[Report by Iulian Chifu: "According to the AP FLUX Press Agency, the Ministry of National Security of the Republic of Moldova Captured a Russian Agent Infiltrated Into the Leadership of the National Defense Ministry"]

[FBIS Translated Text]

The Case Will Be Solved "in a Confidential and Mutually Advantageous Way"

On Friday, 24 November, the Chisinau-based AP FLUX press agency announced that the National Security Ministry [MSN] of the Republic of Moldova captured a Russian spy who was among the leading cadres of the National Defense Ministry.

On this occasion, the agency also reviewed the foreign espionage situation in the Republic of Moldova and emphasized that "what is noteworthy is the massive presence of the Russian secret agents" who even opened own bureaus on the left bank of the Dniester River [in the Dniester Republic]. The reported case, which was made public by MSN agents, offered a good opportunity to investigate the former officers of the South-West Directorate of the Warsaw Pact, which, before 1991,

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when the Soviet Union collapsed, had its headquarters in Chisinau.

The Officers of the Warsaw Pact South-West Directorate Continue Their Activity in the Republic of Moldova

The FLUX press agency quotes a large number of MSN officers who testified, on the precondition that they should remain anonymous, that the entire military counterespionage of the former Warsaw Pact South-West Directorate General Staff, which, before the collapse of the Soviet Union, used to be headquartered in Chisinau, has actually remained intact. According to the results of the investigations made after the seizure of the Russian spy in the Ministry of National Defense, the aforementioned body is still carrying out actions on the territory of the Republic of Moldova. This body used to be led by two Russian generals and included 18 highly trained intelligence officers. After the Warsaw Pact representatives were pulled out of that region and after the collapse of the Soviet Union, the generals went to Moscow, but the officers continued their activity under the cover of certain commercial companies. Numerous intelligence officers in Moscow are sent on one- or two-week missions to Tiraspol, exactly in the same way as in any other region of the Russian Federation.

The Russian Agents Are Interested in Direct Actions, Public Opinion Manipulation, and the Destabilization of the State

The quoted sources also mentioned some of the characteristics of Russian espionage in the Republic of Moldova. Thus, the Russians, unlike the other foreign secret services — which limit themselves to the gathering of information — are interested in direct actions, such as the misleading and manipulation of public opinion and, in certain cases, even in the destabilization of the state. Despite the fact that AP FLUX published precise details about the discussion on the case of the Russian spy, as well as about the subsequent actions undertaken by the MSN, the press office of the latter body insisted on declaring, laconically and diplomatically, the following: "The rumors, according to which our services unearthed a Russian secret agent at the National Defense Ministry, are groundless. The circulation of such rumors can lead to provocations, including ones of a political nature."

The Former Chairman of the National Security Parliament Committee Rebuts the Official Statements of the MSN

Ion Ungureanu, the former chairman of the Security, Public Order, and National Defense Parliament Committee, who was ousted from that post when he left the PDAM [Democratic Agrarian Party of Moldova] and who joined the recently founded Party of Rebirth and Conciliation of Moldova under the leadership of Moldovan President Mircea Snegur, rebutted the official statements made by the MSN: "During the time I was in that office, there were many files containing espionage cases, but none of them were sent to court. All these espionage cases were settled with the countries in question in a confidential and mutually advantageous way," said Ungureanu, directly referring to the spy swaps done by the Chisinau secret services. Furthermore, in Ion Ungureanu's opinion, on the left bank of the Prut River, the country with the most spies is Dniester.

"Lately, foreign secret services have been manifesting major interest regarding the Republic of Moldova, and, in that context, the massive presence here of the Russian agents is noteworthy," stated a representative of military counterespionage cited by AP FLUX, adding: "On the other bank of the Dniester River, they are acting openly and have even opened offices at a wide variety of institutions in the self-styled Dniester Moldovan Republic."

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Kazakhstan

European Bank To Allocate $2 Billion for Investment

MM2811155595 Moscow FINANSOVYYE IZVESTIYA in Russian 28 Nov 95 p 1 (received via internet)

[EKOTASS report: "Kazakhstan Will Receive $2 Billion From the EBRD"]

[FBIS Translated Text] The European Bank for Reconstruction and Development (EBRD) is going to allocate over $2 billion to fund projects in Kazakhstan, so Kazakhstan Prime Minister Akezhan Qazhygeldin has announced. "The EBRD has declared its support for the pace of the reforms being conducted by the Kazakhstan Government," he pointed out. "The bank has expressed readiness to provide credit for a sum total of 22 projects on the republic's territory in 1996. In addition, during the visit we secured the bank's agreement to fund four additional exclusive projects."

Tajikistan

Presidential Spokesman Previews Talks With Opposition

LD2811212095 Moscow INTERFAX in English 1812 GMT 28 Nov 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] [no dateline as received] The government delegation during the next round of peace talks with opposition leaders in Ashgabat on Thursday intends to abide by the Tehran accords signed by President Emomali Rakhmonov and opposition leader Said Abdullo Nuri in August, presidential spokesman Zafar Saydov told Interfax.

He said the 10-member government team was almost formed though last minute changes are not ruled out.

Saydov said Dushanbe was seeing political, military and social issues as a priority on the six-point agenda of the Ashgabat round of peace talks.

The political package provides for the establishment of a consultative national forum and political activities by parties and movements including involvement in running the country.

The military package envisages reform of the force ministries simultaneously with the disarming and disbanding of rebel units with subsequent re-incorporation of their members into the regular army or civilian life. These measures are to be implemented in line with schedules to worked out and approved by the Ashgabat round.

The social package, said Saydov, deals with voluntary repatriation of refuges and displaced people and their subsequent incorporation into the country's legal, economic and social framework.

The new round is also to discuss the setting up of a cease-fire monitoring commission and guarantees of its observance with a possible involvement in the process by international observers.

The spokesman declined to say whether or not Dushanbe will be ready to make any concessions at the Ashgabat round. If any, these must be made within the format of the Tehran accords, he said. Any attempt to review the deal, Saydov said, will make a negative impact on the course of the coming round.

The spokesman said Dushanbe would never make concessions running counter to the people's will outlined in the country's new constitution approved by over 94% of Tajiks little more than a year ago.

An amassment of rebel forces across the Afghan border was the subject of a behind-the-scenes meeting in Dushanbe between President Emomali Rakhmonov and Chief of the Russian Federal Border Service Andrey Nikolayev, a presidential source told Interfax.

The president is said to have asked Nikolayev to pass his wishes of earlier recovery to Russian leader Boris Yeltsin.

For his part, the Russian general passed Yeltsin's oral message to Rakhmonov concerning bilateral relations.

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Azerbaijan

Helsinki Commission Considers Election Violations

NC2811214295 Baku TURAN in English 1013 GMT 28 Nov 95

[FBIS Transcribed Text] Washington/28.11.95/ TURAN—The Chairman and Cochairman of the Commission on Security and Cooperation in Europe (Helsinki Commission) Representative Chris Smith, and Senator Alfonse D'Amato, expressed disappointment today at reports by representatives of the Organization for Security and Cooperation in Europe (OSCE) that Sunday's parliamentary elections in Azerbaijan "in many respects" did not correspond to internationally accepted standards, and that "numerous violations of the electoral law were encountered".

"These reports are very disturbing", said Smith. "U.S. relations with the Azerbaijani government will be conflicted until Baku takes adequate steps in the area of democratic development and political pluralism. These elections and the referendum on the constitution were an ideal opportunity for Azerbaijan to demonstrate its commitment to the provisions of the OSCE on free and fair elections. Unfortunately, that has not taken place".

"Azerbaijan's election was not free or fair", D'Amato said. "Doing better than the Soviets just isn't good enough. Election law violations reported by the OSCE/ UN Joint Mission and the OSCE Parliamentary Assembly show that the Azerbaijani regime acted to retain power no matter what the cost. That is unacceptable conduct by an OSCE-member government".

The report of the Joint Electoral Mission of OSCE and United Nations noted discrepancies in the voting procedure, ballot conducting, and the methodology of permitting candidates and parties to participate in the elections themselves. The report also suggested that there was "good reason to suspect that election officials inflated the vote count in many instances".

A delegation of the Parliamentary Assembly of the OSCE called the elections "not free and fair" citing "numerous violations of the electoral law" and "censorship and the jailing of journalists that resulted in muzzling the press during the pre-election campaign.

Party Leader: Guliyev To Be 'Victim in Political Game'

NC2811213795 Baku TURAN in English 1150 GMT 28 Nov 95

[FBIS Transcribed Text] Baku/28.11.95/TURAN — The results of the Parliamentary elections showed that my list of deputies and final staff of the Milli Mejlis coincided by 98 percent, the head of the party of National State System, Neymat Panahov, said during today's press-conference. He said the elections have become "one more evidence of anti-national policy of the current administration. The Azerbaijani Government does not care about the public opinion", Panahov said.

The leader of the party said the authorities plan to annihilate the opposition physically, politically and morally. "Until now the Parliament created by ex-president, Ayaz Mutalibov, blocked implementation of these plans", he said. "The current administration only deals with settling personal scores and implementation of their clan interests", he said.

Murder of people's deputy Shahmardan Jafarov and Aypara Aliyev in the jails, arrests of other political figures, is implementation of these interests, Panahov said. "The authorities have for an aim annihilation of everyone, who is dangerous for them due to their authority, free-thinking and intellectual abilities. The regime of the state terror and dictatorship has been established in the country", Panahov noted.

He said the current authorities resort to such mean actions, which had never been used even by the former Soviet regime, Mutalibov and Elchibey's regimes.

Panahov also accused the heads of the Popular Front and National Independence parties of the collusion with the authorities. "Etibar Mamedov and Ali Kerimov have been promised that they will receive deputy mandates in exchange of imitation the opposition activities in the Parliament", he said. Panahov also mentioned it had been earlier ordered not to let Musavat party to elections "even if it collects 500,000 electors signatures".

Panahov said his party does not recognize the current Parliament. "The Parliament appointed by the top order cannot reflect the interests of the nation", he noted.

Panahov said "the current Milli Mejlis speaker, Rasul Guliyev, will be one more victim and soon he will be replaced on his post". "President Aliyev's real successor will be the third or the fourth Parliament chairman", Panahov said. He said President Aliyev will give his power to that person. However, Neymat Panahov refuses to say concrete name of that person.

Party Claims Prisoners Tortured, Demands Investigation

NC2811212295 Baku TURAN in English 1502 GMT 28 Nov 95

[FBIS Transcribed Text] Baku/28.11.95/TURAN — "Death of people in prisons, whose guilt had not been proved by court testifies about brutal treatment, humiliation and tortures in jails," reads the statement by

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the Independent Democratic party. As a confirmation of such opinion the statement reminds the death of Aypara Aliyev who before the arrest on October 7, 1994 never suffered disease in his liver.

"Representatives of the ICRC [International Committee of Red Cross] and other organisations visited more than once jails in which the Armenian prisoners of war were kept, however they were not allowed to visit the Azeri prisoners. According to the information from jails, the tortures and beating are the main ways of carrying out the investigation and the death of Aypara Aliyev was not the last crime," reads the statement.

Party Independent Democracy demands to create the independent commission with participation of international experts for the investigation of all death cases in jails of Azerbaijan.

"Addressing in the UN and the OSCE [Organization on Security and Cooperation in Europe] Azerbaijan has committed itself the obligations to follow the human rights. The facts mentioned above testify that Azerbaijan infringes these obligations," the statement notes.

Georgia

IMF Official: Relations With Government 'Excellent'

AU2811155295 Tbilisi AKHALI TAOBA in Georgian 21 Nov 95 pp 1, 2

[Report by Tamar Ninidze: "'We Will Help Georgia' — Shadman-Valavi's Press Conference"]

[FBIS Translated Text] On 20 November, IMF Mission Chairman Mohammad Shadman-Valavi held a press conference. Deputy Prime Minister Temur Basilia, Finance Minister Davit Iakobidze, National Bank President Nodar Javakhishvili, Economy Minister Lado Papava, and others also participated in the press conference.

In his introductory remarks, Shadman-Valavi said that his current visit was connected with financial and credit policy regarding the lari. He had spoken with President Shevardnadze. He expressed the hope that future relations between the new government and the IMF would continue to develop normally. In general, he assessed this visit as being successful. Then, journalists began to ask questions.

[Unidentified correspondent] Under what conditions will the IMF grant the Georgian Government the new FESAL [Financial Sector and Enterprises Structural Adjustment Loan] credit? With what role can the IMF be entrusted in the formation of the future Georgian government?

[Shadman-Valavi] Regarding the FESAL credit, one can say that the main condition for granting this credit was fulfillment of the conditions pertaining to the stand-by loan. It should be pointed out that, as a result of the measures that have been elaborated, the stand-by credit is being replaced with the FESAL credit. Structural reforms should continue as before, and a legal base should be devised to implement a whole number of programs in various spheres. The work of commercial banks should be strengthened from the structural point of view. The advantage of the FESAL credit over the stand-by credit is that it has a lower interest. It has been allocated for three years but, at the same time, it also provides for the implementation of annual programs. Regarding the second question, the IMF has no right whatsoever to interfere in the formation of the government of any country. The elections have been held and, as we know, the appointment of officials is the country's sovereign right and we respect this. President Shevardnadze promised us that there would be a continuation and acceleration of the reforms.

[Unidentified correspondent] What measures have you got planned if the new government changes its activities and, in particular, conducts a liberal monetary and credit policy and does not adopt the law on land?

[Shadman-Valavi] Now, as before, great importance is attached to a strict monetary and credit policy and, in this respect, our recommendations should be taken into account. This will be the focus of the negotiations.

[Papava] If you familiarize yourself with the president's program and also the policy statements of the Union of Georgia's Citizens, you can see very well that there will be no deviation from this path.

[Basilia] After 19 months, we can already see the first results of this policy. The strengthening of financial policy and the subsequent step — the introduction of the lari — are the fruits of this government's stable activities.

[Unidentified correspondent] How would you assess the economic policy conducted by Georgia compared with the other CIS countries?

[Shadman-Valavi] This is a very difficult question. Each country implements an economic policy proceeding from its own specific features. Of course, compared with Russia that is rich in natural resources, Georgia has more problems but, as we can see, there are, at the moment, only successes.

[Unidentified correspondent] How would you assess the Georgian Government as a partner?

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[Shadman-Valavi] One can already speak of significant results. That is to say, our relations are excellent. We have acquired great experience through our cooperation with the Georgian Government.

[Basilia] No one should believe that we are only fulfilling the recommendations of the IMF. The team, which has been conducting reforms over the last year and a half, was itself the author of specific programs. In accordance with the head of state's edict of 7 February 1994 that provided for an anticrisis program, we implemented a whole series of measures. Our relations with the IMF are based on partnership. If we do not agree with something, we reach a certain compromise with the IMF.

[Unidentified correspondent] Following the decision of the oil consortium, to what extent can you determine Georgia's reliability in paying off the loans?

[Shadman-Valavi] The consortium's decision will play an important role in Georgia's future. The international community saw that a period of political stability has begun in Georgia. To a certain extent, this is a recognition of economic stability. It will be a reliable partner for the donor countries as well. Furthermore, this will facilitate the attraction of private investors.

[Unidentified correspondent] On what points did you disagree and how did you reach an agreement?

[Shadman-Valavi] There were no bitter debates and no significant disagreements. If there had been, we would not have given you any money. There was a minor disagreement concerning privatization. We wanted this process to be speeded up but, after hearing the arguments of the Georgian Government, we abandoned our position.

[Unidentified correspondent] How would you assess the work of the National Bank in economic policy?

[Shadman-Valavi] The National Bank is at the center of economic reforms. It is the guarantor of financial stability in the country.

Ministry Denies Arrest of Colonel Barbakadze

LD2911100995 Moscow ITAR-TASS in English 0856 GMT 29 Nov 95

[By Tengiz Pachkoriya]

[FBIS Transcribed Text] TBILISI, November 29 (Itar-Tass) — The press centre of the Georgian Interior Ministry refuted on Wednesday a report (transmitted on Tuesday) on an arrest of Colonel Akaky Barbakadze, deputy commander of republican interior troops.

At the same time, the press centre confirmed to Itar-Tass that the commander of Georgian interior troops, Major-General Giya Toradze, and his deputy, Colonel Akaky Barbakadze, were relieved of their posts.

Nothing is said officially about a reason for the dismissal from their posts.

Ajarian Leader on Election Results, Current Issues

AU2911112595 Tbilisi AKHALI TAOBA in Georgian 23 Nov 95 pp 1, 2

[Report by BGI, Vika Kavsharadze: "I Will Not Go to Tbilisi for Shevardnadze's Inauguration"]

[FBIS Translated Text] On 21 November, Aslan Abashidze, chairman of the Supreme Council of Ajaria and leader of the Union for the Restoration of All-Georgia [URAG], held a news conference.

The subject of the news conference was the election results.

Aslan Abashidze pointed out that a new stage had begun in the life of Georgia. According to him, a firm foundation has been laid for the subsequent construction of the state and the new Parliament would use all the possibilities for this. At this time, the main supportive force is the Constitution that has been adopted.

[Unidentified correspondent] Are you satisfied with the election results?

[Abashidze] There will be 31 deputies representing the URAG in Parliament, 25 according to party lists and six according to the majority system. We had planned to form an electoral bloc with the Union of [Georgia's] Citizens [UGC] but, had we done so, we would have had an insignificant number of deputies in Parliament. So, before the elections, we had already decided that we would participate in them as an independent party. Therefore, we were unable to prepare ourselves as necessary. We did not have a single observer in any of the regions and only managed to register our lists. This had some bearing on our results. However, in spite of this, we are satisfied.

[Unidentified correspondent] What were the reasons for your success in the elections?

[Abashidze] We worked selflessly and were always building but never destroying.

[Unidentified correspondent] What kind of relations are you planning to establish with the UGC and the National-Democratic Party of Georgia [NDPG]?

[Abashidze] As regards the UGC, our pre-election programs mirrored each other. It is possible that our

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views do differ on certain issues, but overall our position is the same. As for the NDPG, it is my hope that their position will be constructive.

[Unidentified correspondent] Yet, the UGC welcomes the process of privatization and investment. Will your views differ on economic questions?

[Abashidze] We support honest privatization. It is well known that many privatized installations were returned because they were privatized incorrectly. For example, we have an installation whose initial selling price we fixed at $400,000. At the same time, it was valued in Tbilisi at $24,000. We do not believe that we have the right to squander what we have. As for investment, we have not received a single serious offer from a foreign investor.

[Unidentified correspondent] Do you intend to go to Tbilisi for the inauguration?

[Abashidze] No. I will not go to Tbilisi because I have serious information that everything is not yet over there. I will be in Tbilisi when I think it necessary. It does not matter where I happen to be physically because I will be in Tbilisi spiritually.

[Unidentified correspondent] What is your opinion on the location of Russian bases in Georgia?

[Abashidze] My views regarding this question were already clearly formulated in 1991. I have always believed that the existence of the bases in Georgia is essential for the time being. Many people, proceeding from their own interests, have attacked the idea of the presence of Russian troops here. We are now reaping the results of this. We did not have the armed forces to defend the state's interests.

[Unidentified correspondent] How do you intend to resolve the social problems?

[Abashidze] Our believe is that wealthy men signify a wealthy state. We have been chasing after small amounts abroad and have lost billions at home. We are paying Turkey to supply us with electricity. Would it not have been better if we had taken a loan from Turkey and built our own thermal power station, which would have helped Georgia to pay off its debts?

[Unidentified correspondent] Which articles in the Constitution do you find unacceptable?

[Abashidze] The Constitution was drawn up by those who are today no longer in Parliament. The Constitution could not be viewed as being complete, given that it was formed by those who were implementing policies proceeding from their own interests.

[Unidentified correspondent] What can you say about Jaba Ioseliani's [founder of Mkhedrioni paramilitary organization] arrest?

[Abashidze] Shooting and the Mkhedrioni are alien to Ajaria. This was emphasized by Eduard Shevardnadze when he visited Ajaria. We disarmed them in 1991, one month after I came to power. We had operational data that we passed over to the head of state one month ago. The Mkhedrioni has not been subordinate to Ioseliani for a long time now. It has been subordinate to the head of another service.

[Unidentified correspondent] What do you think about the freedom of the press?

[Abashidze] The first question that I will raise in Parliament will concern the press, because many of the events that have occurred in Georgia of late have been provoked by certain publications. Sometimes, the mass media can cause more harm than dozens of armed criminals.

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Estonia

Tallinn Praises U.S. Mediation in Bosnia Peace Talks

WS2911114595 Tallinn ETA in English 1804 GMT 28 Nov 95

["News Release"]

[FBIS Transcribed Text] Estonia welcomes the success achieved, with active mediation of the USA, at peace talks between Bosnia, Croatia and Serbia, that ends the war in Bosnia, Estonian Foreign Ministry [FM] said in a statement on Tuesday [28 November].

As the result of peace talks in Dayton, USA, Bosnian, Croatian and Serbian presidents initialled an agreement that, when enforced, will end the war that has lasted for four years in Bosnia.

Estonia considers the agreement a substantial step towards continuous peace in the Balkans, FM press service says.

Estonia values highly the role of a mediator in solving conflicts and disputes. As the events in today's world are closely connected, regulation of inter-state relations cannot be considered only as a matter concerning the concrete parties. Conflict in Europe influences stability and security in the whole world, FM says.

Peacekeepers Prepare for Mission

WS2911114795 Tallinn ETA in English 1804 GMT 28 Nov 95

["News Release"]

[FBIS Transcribed Text] US Defence Secretary William Perry said in Brussels on Tuesday [28 November] that after the conclusion of the Bosnian peace treaty, the peacekeeping forces to be sent to Bosnia would include also Estonian peace keeping units.

The head of Estonian Peacekeeping Company Alar Laaneman told ETA that although he has not yet received an order to form a peacekeeping unit for this purpose, the company was making preparations, so that in case an order came, the unit could be formed as fast as possible.

The whole of the Estonian Peacekeeping Company should be sent to a mission in November 1996.

Tallinn Submits Formal Application To Join EU

LD2811180695 Tallinn Radio Tallinn Network in Estonian 1700 GMT 28 Nov 95

[FBIS Translated Text] Estonia has submitted its official application to join the European Union. The Estonian representative at the EU, ambassador Clyde Kull, had a meeting in Brussels tonight with the Spanish permanent representative at the EU, Elorza Cavengt, as Spain is holding the current EU presidency, and Juergen Trumpf, the secretary-general of the Council of the European Union. During their meeting the fact of Estonia's handover of the application was recorded with relevant documents.

President To Mediate Defense Officials' Conflict

LD2811232495 Tallinn Radio Tallinn Network in Estonian 2000 GMT 28 Nov 95

[FBIS Translated Text] President Lennart Meri is going to convene the Defense Council this week, to discuss the conflict between the Defense Forces commander and the defense minister. The president would like to resolve the issue based on as broad a consensus as possible. "Estonia has coped with more difficult problems and will cope with this one, too," President Meri said when commenting on the conflict between Defense Forces Commander Aleksander Einseln and Defense Minister Andrus Oovel. Prime Minister Tiit Vahi said today that Einseln's future must be decided by the president because Einseln rejected Oovel's offer of reconciliation. According to Vahi, there is a major conflict between the Defense Forces commander and the defense minister. The prime minister noted that a solution to the disagreement between Einseln and Oovel must be brought by the president who under the constitution has the right to appoint and discharge the Defense Forces commander.

On his return from a working visit to Germany and Denmark, the president said that he views any kind of conflict in Estonia as regrettable and stated that he would convene the defense council this week. President Meri said that he wants a speedy solution to this defense-policy crisis in Estonia. Meri noted that it is unnatural for two departments which should cooperate closely to develop such a conflict.

Meri declined to comment as to whether the solution to this crisis would make somebody step down from his post.

Latvia

Baltic Commanders Meet To Discuss Defense Cooperation

LD2811142795 Riga Radio Riga Network in Latvian 1000 GMT 28 Nov 95

[FBIS Translated Text] Armed forces commanders of the Baltic states are meeting in Jurmala today to discuss future cooperation. The participants in the conference are discussing the Baltic states' participation in the

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NATO Partnership for Peace program and the setting up of a joint Baltic headquarters within the framework of this program. They are also discussing the development of the program for the formation of the Baltic peacekeeping battalion, a military cooperation plan between the Baltic states, the creation of a system of airspace control, joint Lithuanian, Latvian and Estonian exercises Baltex-96 and [words indistinct] which will be held in Estonia next year.

KGB Archives Displayed for First Time in Public

LD2811234295 Riga Radio Riga Network in Latvian 2100 GMT 28 Nov 95

[FBIS Translated Text] Starting today at the State Archives, an exhibition is on view of the legacy of archives of the State Security Committee [KGB] in the Baltic countries. This is the first time that the archives of the special services are being made public. Documents are on display from the Latvian State Archives, the Ministry of Internal Affairs, the Prosecutor-General's Office, and the Center for the Documentation of the Consequences of Totalitarianism, as well as archive material from Lithuania and Estonia. The State Security Committee's archives have not been preserved in full in any Baltic country, but in assembling these documents for a single exhibition it was possible to get a complete picture of the structure and working methods of the State Security Committee. Apart from the lists of deportees one can inspect the proceedings against Gunars Astra, Leonids Breikss, and many other deportees and the charge-sheet against Alfons Noviks and much else. The exhibition at the General Directorate of the State Archives will be open until 16 December.

Ulmanis Cancels Meeting on New Premier

LD2811224795 Riga Radio Riga Network in Latvian 1800 GMT 28 Nov 95

[FBIS Translated Text] Today we still did not find out the name of the next prime minister, as President Guntis Ulmanis cancelled all meetings intended for this afternoon owing to ill health. The candidate put forward by the National Reconciliation Bloc, Ziedonis Cevers, was to have been invited to the president. During this meeting he might have been invited to form a government.

Lithuania

Interior Minister Survives No Confidence Vote

LD2811233195

[FBIS Editorial Report] Vilnius Radio Vilnius Network in Lithuanian at 2100 GMT on 28 November in a one-minute item reports that a vote of no confidence in Interior Minister Romasis Vaitiekunas, presented by the right-wing parliamentary parties, was discussed at the Seimas this afternoon.

In a secret ballot, 44 members of the Seimas voted in favor, nine voted against, and three ballots were found spoiled.

Members of the ruling Lithuanian Democratic Labor party did not take part in the vote. According to the Lithuanian Constitution a minister can be forced to resign if more than half of the Seimas members vote in favor of his resignation. For this purpose 72 votes were needed, Lithuanian radio said.

Government To Register All Explosive Materials

WS2811154795 Tallinn BNS in English 1000 GMT 28 Nov 95

[FBIS Transcribed Text] Vilnius, Nov 28, BNS — The Lithuanian government, worried over a recent wave of bombings, has decided to check and register all explosive materials legally owned by different companies and authorities and calls on individuals to hand over such materials to the police.

The ruling passed by the government on Monday says that citizens will not be punished for illegal possession of explosive materials if they hand over such materials to the police.

There have been some 70 bombings directed at individuals or firms in Lithuania so far this year.

The government also called on the ministry of justice, the ministry of internal affairs and the department of state security to discuss the issue of making penalties for illegal possession of explosives more severe.

A release by the government press center says that the state security police has evidence that large amounts of explosives are in private hands.

Monday's government ruling also requires the ministry of defense to carry out additional inventory of all supplies of explosive materials.

In addition, other means will be employed to halt the wave of terrorist acts, the statement says.

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